

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

6. 28,595

PARIS, MONDAY, DECEMBER 23, 1974

Established 1887

Against Anti-War Groups Under Nixon

Illegal CIA Operation in U.S. Alleged

By Seymour M. Hersh

WASHINGTON, Dec. 22 (NYT).—The Central Intelligence Agency, secretly violating its charter, conducted a major, illegal domestic intelligence operation during the Nixon administration against the anti-war movement and other dissenting groups in the United States, according to well-placed government sources.

An extensive investigation by the New York Times has established that intelligence files on at least 10,000 American citizens were maintained by a special unit of the CIA that was reporting directly to Richard Helms, then the director of Central Intelligence and now the ambassador to Iran.

In addition, the sources said, a check of the CIA's domestic files ordered last year by Mr. Helms' successor, James Schlesinger, produced evidence of dozens of other illegal activities by members of the CIA inside the United States, beginning in the 1950s, including break-ins, wiretapping and the surreptitious inspection of mail.

Mr. Schlesinger was succeeded at the CIA by William Colby in September, 1973. Those alleged operations, while also prohibited by law, were not aimed at dissident American citizens, the sources said, but instead were a different category of domestic activities that were secretly carried out as part of operations aimed at suspected foreign intelligence agents operating in the United States.

The official also said that the requirement to maintain files on American citizens emanated, in part, from the so-called Huston plan. That plan, named for its author, Tom Charles Huston, a presidential aide, was a White House project in 1970 calling for the use of such illegal activities as burglaries and wiretapping to combat anti-war activities and student turmoil that the White House believed were being "fomented" by black extremists.

Former President Richard Nixon and his top aides have repeatedly said that the proposal, which had been adamantly opposed by J. Edgar Hoover, then the director of the Federal Bureau of Investigation, was never implemented.

1947 Act

Under the 1947 act setting up the CIA, the agency was forbidden to have "police, subpoena, law enforcement powers or internal security functions" inside the United States. Those responsibilities fall to the FBI, which maintains a special internal security unit to deal with foreign intelligence threats.

As part of its alleged effort against dissident Americans in the late 1960s and early 1970s, the sources said, the CIA authorized agents to follow and photograph participants in anti-war and other demonstrations. The CIA also set up a network of informants who were ordered to penetrate anti-war groups, the sources said.

At least one avowed anti-war member of Congress was among those placed under surveillance by the CIA, the sources said. Other members of Congress were said to be included in the CIA's dossier on dissident Americans.

"This is explosive. It could destroy the agency," an official with access to details of the alleged domestic spying on dissidents declared in a recent interview. He described the program as similar in intent to the Army domestic surveillance programs that were harshly censured by Congress four years ago.

Names Unknown

The names of the various "dissident" congressmen could not be learned, nor could any specific information about domestic CIA break-ins and wiretappings be obtained.

These alleged activities are known to have distressed both Mr. Schlesinger, now the secretary of defense, and William Colby, the current CIA director.

Mr. Colby has reportedly told associates that he is considering the possibility of asking the attorney general to institute legal action against some of those who had been involved in the alleged domestic activities.

Mr. Helms left the CIA in February, 1973, for his new post in Tehran. Despite overseas telephone calls, he could not be reached.

Mr. Colby refused to comment on the domestic spying issue but one day after his resignation he emerged during an off-the-record talk he gave last Monday night at the Council on Foreign Relations in New York.

The CIA chief, who had been informed the previous week of the inquiry by The Times, said (Continued on Page 2, Col. 5)



RESCUE MISSION—Austrians search for missing skiers at Kitzbuehel yesterday.

Nine Skiers Killed by Austrian Avalanche

KITZBUEHEL, Austria, Dec. 22 (UPI).—One of Austria's worst avalanches, a fast-moving, icy slide that claimed the lives of nine skiers yesterday, was apparently caused by the disregard of safety signs, the police said today.

"It seems as if at least some of the skiers killed in the tragedy disregarded the warnings," a police official said.

The victims were identified as five West Germans and four Austrians. Four other Austrians survived.

The disaster occurred on the steep slopes of the Steinbergkogel, one of the most popular skiing areas of the resort of Kitzbuehel.

The slopes are noted for being extremely dangerous during the early skiing season, especially at temperatures above freezing.

More than 300 rescuers worked throughout the night with dogs trained to detect bodies in the snow.

A court commission began investigating the incident today. The commission is concentrating on whether the warning signs usually put up on the Steinbergkogel under similar weather conditions were properly placed.

The police said most avalanche disasters in recent years were caused by carelessness and disregard of warnings.

A total of 674 persons have died in avalanches in Austria in the past 20 years, authorities said. Most of the victims were West Germans.

Iceland Town Devastated

REYKJAVIK, Dec. 22 (Reuters).—The government has ordered emergency help for the east coast fishing town of Neskaupstadur, which was devastated Friday by an avalanche that claimed at least 10 lives.

The avalanche destroyed oil storage tanks, releasing up to 50 tons of fuel oil into the sea.

60,000 to Teach in Countryside

Parade Launches Ethiopia Rural Program

ADDIS ABABA, Dec. 22 (Reuters).—Ethiopia, launched on its own way to socialism Friday, marked the official opening of an ambitious rural development campaign yesterday with a parade by 30,000 students clad in new khaki uniforms.

The boys and girls marched around Addis Ababa's race course, watched by the chairman of the ruling Military Council, Gen. Tafari Benti, and the two vice-chairmen of the 120-member council.

One of them, Maj. Mengistu Haile-Mariam, is considered the driving force behind Ethiopia's policy statement in which the council pledged to turn Ethiopia into a Socialist state with a one-party system, direct government control of most of the economy, and collective farms on government land.

It was the first time that Maj. Mengistu, 36, has appeared in public in his official role. The major comes from a humble family and is known for his radical ideas. The council's second vice-chairman, Maj. Adnaitu Abate, also appeared in public for the first time in his official capacity.

The rural development campaign opened yesterday involves 60,000 university undergraduates, high-school students and teachers. They are to go into the countryside for nine months to conduct a literacy drive and

teach such subjects as improved farming methods and basic health care. But the campaign's main aim is to explain the aims of the Military Council in this largely agricultural country.

Addressing the students, Gen. Tafari said the campaign signaled the beginning of "an era of progress and development through cooperation."

He made no reference to Socialism or Friday's policy declaration but held out the example of Cuba, Tanzania and India, which he said had successfully implemented similar campaigns.

Ethiopia's students have been in the forefront of demands for a Socialist system. Those in the parade yesterday doffed their caps and waved them to salute Gen. Tafari and the other Ethiopian officials seated in the grandstand with the diplomatic corps.

Occasionally groups of marchers burst into revolutionary songs, but the overall impression given by the students was one of apathy.

Jet fighters flew low over the race course as a municipal brass band preceded by drum majorettes in miniskirts led the two-hour parade.

Soldiers armed with sub-machine guns guarded the entrance. A light machine gun was placed on the balcony of the racing club building behind the grandstand.

At least six persons were injured, including two women, when police charged a crowd of about 1,500 trying to force their way into the compound. No other incidents were reported.

China, Cuba Cited

GENEVA, Dec. 22 (AP).—Ethiopia's Socialism program will

Venezuelan Plane Crashes With 70

CARACAS, Dec. 22 (AP).—A domestic Venezuelan jetliner with 70 persons aboard exploded today shortly after takeoff from Matucari Airport, about 300 miles east of Caracas, according to an airline spokesman.

First reports indicated that there were few if any survivors, the spokesman said.

The DC-9 Avenas aircraft was carrying 66 passengers and a crew of four, the airline spokesman said.

He said reports indicated that several foreigners were aboard but he could not identify them.

"There was an explosion aboard shortly after takeoff and then the aircraft went down," he said.

The plane was bound for Caracas.

have features similar to those of China and Cuba, an Ethiopian diplomat said yesterday. He said that Ethiopian policy would be realistic and pragmatic.

Fantaye Biftu, acting head of the Ethiopian mission to the United Nations here, was asked at a news conference whether Socialist systems in other countries could serve as a model for the plans of the Ethiopian leadership. He noted that the campaign resembles the programs of China and of Fidel Castro, but Ethiopian Socialism will be adapted to Ethiopian conditions, he said.

He termed them quite similar to those in China and Cuba. He said the leadership might also learn from the experiences of neighboring Tanzania.

He emphasized that Ethiopia would continue to take a non-aligned stance in foreign affairs.

Terrorist Attack on Tour Bus In Israel Injures U.S. Girl, 16

JERUSALEM, Dec. 22 (Reuters).—A grenade was hurled by guerrillas today at a bus carrying 17 American pilgrims touring the Holy Land. It wounded a 16-year-old American girl and an Arab bystander.

Some witnesses said shots also were fired at the bus as it was in the incident on the outskirts of Jerusalem, at the village of El Azaria, but police said they could find no evidence of bullets.

The 17 pilgrims from Jacksonville, Fla., had just visited the church of St. Lazarus, which is reputed to be on the site where Christ brought back Lazarus from the dead, at Bethany.

As the bus turned away from a southerly shop, the grenade exploded in front of it, shattering the windows.

Hit in Leg

The girl, Dejean Replogle, was hit in a leg by shrapnel and taken to Jerusalem's Hadassah Hospital for surgery to remove grenade fragments. Her condition was not serious, it was reported.

A villager repairing a car nearby was slightly injured.

A spokesman for the Palestinian Liberation Organization said in Beirut that the group was responsible for the attack and warned foreigners to stay away from Jerusalem.

"We advise visitors not to go to occupied Palestine as we are not responsible if they get hurt during the escalation of commando activity against the Israeli enemy," the spokesman said in a statement released by WAPA, the PLO's news agency.

The Israeli driver of the tour-

Discontent Hinted by Russia on Trade Bill

By Christopher S. Wren

MOSCOW, Dec. 22 (NYT).—The Soviet Union acknowledged yesterday a hint of dissatisfaction with the passage by Congress on Friday of trade legislation extending the Russians credit terms and lower import tariffs.

An initial announcement circulated by the press agency Tass noted that the legislation had passed with qualifications that, it said, were tacked on by "opponents" of expanding Soviet-American trade. Tass did not explain that the provisions linked the U.S. concessions to assurances of freer Soviet emigration.

Instead, the Tass announcement, which appeared last night in the government newspaper Izvestia, referred back to Moscow's disclaimer last week that any deal had been struck with Washington on the emigration issue.

Meanwhile, the Soviet press also reported a speech containing an ideological defense of East-West trade made by ranking Soviet Communist party official Friday in Budapest.

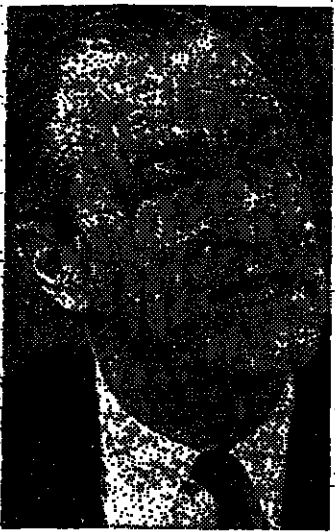
Speaking at a meeting preparing a conference of European Communist parties next year, Boris Ponomarev, who heads the Kremlin's relations with Communist parties in the West, contended that mutual trade "promotes the struggle" by extending "concrete economic actions" that would help work toward the "realization of the West."

The brief Tass announcement on the legislation was seen as only an initial reaction until a more detailed official appraisal could be offered in the Soviet press. However, it confirmed Moscow's insistence that it has given no assurances on emigration and suggested that the legislation might keep finding fault with the concessions, perhaps to counter any U.S. complaints about lack of visible movement on emigration.

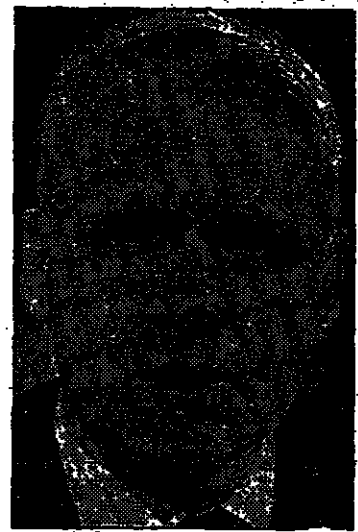
Such a tack seemed clearer last night in a subsequent Tass commentary reviewing the record of the 83d Congress that disparaged the amendments on emigration as "a crude intervention into the internal affairs of the Soviet Union" that would prove "at variance with the interests of the American people itself."

Soviet unhappiness with the amendments was underscored by a cartoon today in the Communist party newspaper Pravda. It depicted a fat capitalist writing "Interference in Internal Affairs" on a large ball and chain that had been attached to a truck labeled "International Trade."

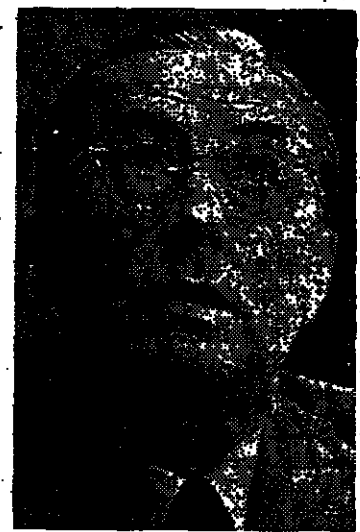
Jewish activists have reacted with general approval to the trade bill passage, but Andrei Sakharov, the dissident nuclear physicist, told foreign newsmen that Moscow's disavowal of concessions should have been taken more seriously by Congress.



Richard Helms



James Schlesinger



William Colby

Senate Unit Condemns Pentagon's Spying

WASHINGTON, Dec. 22 (AP).—A Senate Armed Services Committee report yesterday condemned U.S. Defense Department spying on the White House National Security Council but said the incidents in 1970 and 1971 were isolated and posed no threat to civilian control of the military.

The committee said that the rifling of trash bags containing classified material and the pilfering of papers from the briefcase of Henry Kissinger to get information for the Joint Chiefs of Staff, was an unjustifiable breakdown in professional conduct, by a Navy yeoman.

But it said that Rear Adm. Robert Welsander, who headed the joint chiefs liaison office in the White House, was "a competent participant" in the actions of Yeoman Charles Radford and must bear the major responsibility.

The committee reported publicly on its hearings on inquiry in February and March into the unauthorized transmission of National Security Council

documents from Yeoman Radford, through Adm. Welsander to Adm. Thomas Moore, then chairman of the Joint Chiefs of Staff.

It said that it found no evidence that it was improper for Adm. Moore to have access to the material provided by the liaison office. The report did not speculate on reasons for the spying.

An inquiry into leaks of classified National Security Council information to communist Jack Anderson in December, 1971, the committee found, seemed to be "a serious compromise to national security decision-making." It regretted lack of prosecution.

Sen. John Stennis, D-Miss., the committee chairman, said that a copy of the report will be sent to the Justice Department "for whatever further action is deemed appropriate." Another copy will be sent to the Navy and Defense Department with a recommendation that it be considered in evaluating the performance of Yeoman Radford and Adm. Welsander.

But No Casualties Reported

IRA Stages Heavy Attacks Before Truce

BELFAST, Dec. 22 (UPI).—Irish Republican Army gunmen staged rocket and machine-gun attacks on two border police stations yesterday and, in two provincial towns, bombs exploded in shops.

No casualties were reported in any of the incidents, police said. The attacks occurred about 30 hours before the IRA's declared cease-fire comes into effect at midnight tonight.

Gunmen attacked the police station at Keady, 50 miles south of Belfast, with rockets and mortars and kept up a steady barrage of rifle and machine-gun fire.

Police said that at least five mortar shells and several rockets were fired in an attack by at least 12 men.

Other gunmen carried out a machine-gun and rifle attack on a border police station at Kincaw, 80 miles southwest of Belfast.

Christmas Wrapping

At Lurgan, 25 miles southwest of Belfast, a bomb in a Christmas-wrapped package blew up in a hardware store. Police said customers became suspicious of the parcel left on the counter and

the shop was evacuated 10 minutes before the blast.

At Castledawson, 35 miles south of Belfast, a bomb exploded in a bread shop after a warning to a local telephone exchange.

A British Army spokesman said demolition experts blew up a car in Belfast with a controlled explosion because it was thought to be carrying a bomb.

The spokesman also said troops found two rifles, two pistols and ammunition in a convent school following an incident Friday night when a patrol came under fire.

Meanwhile, acting on a telephone tip from a man who said he was a member of the "Protestant Avengers," police found the body of a 35-year-old man in a roadside ditch at Carriguff, about eight miles south of Belfast. The victim died from a gunshot wound to the head.

The IRA said Friday it will begin an 11-day Christmas truce in Northern Ireland and Britain, beginning at midnight tonight. But it pledged "no let-up in our winter offensive" until the deadline.

The IRA is waging a guerrilla war to drive Britain's 16,000

troops out of Northern Ireland and unite the province with the Irish Republic. Recently, it has stepped up a bombing campaign in Britain.

Marches for Peace

DUBLIN, Dec. 22 (UPI).—The Most Rev. Alan Buchanan, Archbishop of Ireland, said today that peace marches showed Irishmen's determination to end violence. The marches were held here, in Navan, County Meath, and in Belfast.

The marches are part of a campaign by churches in Northern Ireland and the Irish Republic to bring peace to Northern Ireland, where 1,141 persons have died in more than five years of strife.

Archbishop Buchanan and Roman Catholic, Presbyterian, Methodist and Jewish leaders led a crowd estimated by police at 10,000 through the city center. Marchers carried banners reading, "Goodwill! Builds Peace—Killing Destroys."

"These huge crowds are a sample of our determination to work and pray for peace in Ireland," Archbishop Buchanan said.

Blast at Harrods Touches Off Bomb Hunt in Knightsbridge

LONDON, Dec. 22 (NYT).—A bomb exploded yesterday in Harrods, one of London's most exclusive department stores, and set fire to part of the third floor.

There was one minor casualty, according to Cmdr. Robert Huntley, head of Scotland Yard's bomb squad. He said the almost simultaneous discovery of the explosive by a Harrods staff member and a telephone warning allowed 10 minutes for Christmas shoppers and the store staff to be evacuated.

[Tonight, a bomb was thrown at the home near Buckingham Palace of former Prime Minister Edward Heath. Mr. Heath was away for the day conferring with a group of businessmen at his home in Broadstairs in Kent. A fire brigade spokesman said there apparently were no injuries, the AP reported.]

The Harrods bombing, the second such incident here in three days, occurred a day after the militant Provisional wing of the Irish Republican Army announced

a Christmas cease-fire in Britain and Northern Ireland, effective at midnight tonight.

The bomb, in a bag on a display shelf of the automobile accessory department of Harrods, was found by a staff member about the time that a warning was telephoned to the London Sunday Mirror. A newspaper spokesman said the caller had an Irish accent and that he had said there were three bombs, in shopping bags, in the big store in the Knightsbridge section of the city.

Cmdr. Huntley said at a news conference later that between 25 and 30 persons were in the automobile accessory department when the store's alarm sounded. He said the bomb exploded at 5:07 p.m. and caused "quite considerable damage."

The police began a search for the other bombs. Parts of Knightsbridge were cordoned off and people were warned to leave the area in case bombs had been placed in parked cars.

Persons living in the vicinity (Continued on Page 2, Col. 1)



AFTER THE BLAST—Police and officials of Harrods examining the bomb damage.

In Talks on Economic Cooperation

Chirac Says He, Shah Agree On France's Gold Revaluation

TEHRAN, Dec. 22 (Reuters).—French Prime Minister Jacques Chirac said today that he had ironed out differences between France and Iran over France's decision to revalue its gold reserves, the French News agency AFP reported.

Mr. Chirac had talks with the Shah and Premier Amir Abbas

Moreys on the second day of an official visit here.

"I can say there is no longer any disagreement between us," Mr. Chirac told reporters after having lunch with the Shah.

France announced Friday that it would revalue its gold reserves to free-market prices.

The free-market price for gold is about four times the official price of \$42.22 an ounce, but financial experts agreed that the French move was basically an accounting change.

Mr. Chirac said he and the Shah also discussed bilateral political and economic issues as well as the international situation.

The joint communiqué to be issued tomorrow at the end of Mr. Chirac's visit was expected to contain details of the numerous joint cooperation agreements being discussed.

These were expected to include construction of a \$300-million subway system in Tehran by French companies, and the adoption by Iran of the French Scaam color-television system.

France would install 20 regional television centers covering the entire country. Iranian technicians would receive training from French experts and receivers would be jointly built by the two countries in Iran, the communiqué was expected to say.

The newspaper Kayhan said that a possible summit meeting for anti-inflation planning by leaders of oil-producing and oil-consuming countries was also discussed today.

It said the Shah, King Faisal of Saudi Arabia, President Ford, France's President Valéry Giscard d'Estaing and the leaders of Venezuela, Algeria and possibly four other Third World nations would hold a summit conference to discuss world inflation.

Buying Power Seen Key

TEHRAN, Dec. 22 (AP).—A spokesman for the Shah has cautioned against possible erroneous interpretation of the ruler's remarks warning the West about increasing the value of gold held by governments.

The spokesman said the Shah's warning that oil exporters may raise their prices if the West revalues its gold was carefully linked to the question of whether or not gold revaluation leads to a decline in the purchasing power of the oil countries.

He quoted the Shah as having said in an interview last week: "If the up-pricing of gold reserves proves to lead to an erosion of the real purchasing power of oil-exporting nations from revenues accruing from exports of their oil, these countries should take necessary steps aimed at protecting their real purchasing power."

The Iranian monarch gave the interview after President Ford and President Giscard d'Estaing agreed that governments wishing to do so should be allowed to value their gold at market prices, now running above \$185 an ounce.

The Shah voiced concern that the Organization of Petroleum Exporting Countries has committed itself to freeze oil prices until Oct. 1, and said:

"If they want to strangle us in that nine-month freeze, we will be like people who are drowning, having recourse to anything. It could eventually be the collapse of the whole monetary system."

Greek Victim's Care

ATHENS, Dec. 22 (UPI).—Greek Army Maj. Spyros Moustaklis, 48, a World War II hero, died yesterday under the former military dictatorship, yesterday was flown to the United States for medical treatment at Greek government expense, a family spokesman said.

The lawyer, William Kinister, said that Mr. Clark had planned to visit members of the group, awaiting trial on murder, bombing and similar charges, in prison here in January.

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CONDEMNED—François-Pierre Ronget is led by Lebanese policeman during a court hearing earlier this month.

Terrorist Attack on Tour Bus In Israel Injures U.S. Girl, 16

(Continued from Page 1)

As a result of offensive operations at the bases of terror in whatever part of the world they may be," he said in a radio interview.

Meanwhile, it was learned today that Israel and Lebanon have agreed on a Christmas truce along part of their common border to allow the Arab olive harvest to proceed. Under the terms of the cease-fire, Arab guerrillas will move out of the Hasbiya area and Israel will stop its "preventive" artillery bombardments in the region, UN sources said.

In Beirut, an underground Communist movement today

claimed responsibility for two explosions outside a supermarket last night. The movement said in a statement that the attack was a warning to the supermarket company to distribute food to poor families.

Beirut Death Term

BEIRUT, Dec. 22 (AP).—A Lebanese military court yesterday imposed a death sentence on Frenchman François Ronget, 42, on charges of spying for Israel and aiding Israeli commandos who killed three Palestinian guerrilla leaders in a raid here on April 10, 1973.

Defense lawyers said the death sentence would be appealed.

Shipping Dispute Shuts Most Of Kenya-Tanzania Border

By Dial Torgerson

NAIROBI, Dec. 22.—Kenya has closed all but one of its border crossings with Tanzania, apparently in an attempt to force Tanzania to reopen its roads for Kenyan trucks' travel between Kenya and Zambia.

A bus company official said the government expects to close the last crossing point Jan. 1. Kenya halted passenger train service to Tanzania last Wednesday.

Kenya was also threatening to fire thousands of Tanzanians holding jobs in Kenya. The dispute was a threat to the seven-year-old East African Community, which is composed of Kenya, Tanzania and Uganda. The community operates rail, road, postal, cable, telephone, harbor, customs and airline systems.

In the Tanzanian capital, Dar es Salaam, officials said that they were "bewildered" and "surprised" by the Kenya border closings.

Tanzanian spokesmen said there would be no government comment until Kenya explains the move.

The Kenya government said only that the district commissioner of Coast Province closed the crossing points at Horohoro and Taveta and that the westernmost post, at Tarime, was closed because of a cholera outbreak in western Kenya.

Only the border post at Namanga remained open. It was crowded with Tanzanians and Kenyans crossing the line for Christmas trips and with tourists rushing to beat what was reported to be an impending closing there.

In some cases Kenya border officials let Kenyans and tourists cross the line but refused admission to Tanzanians.

The Watergate Trial

WASHINGTON, Dec. 22 (UPI).—The Watergate cover-up trial will enter its 59th day tomorrow, with defense lawyers continuing their final arguments in the conspiracy case.

State Henry Kissinger, it was said, does not want to be faced with a similar situation in Spain following the end of the Franco era.

While Washington does not anticipate a military coup in Spain, it has discovered in recent public opinion soundings that the United States is not popular here and that few Spaniards support an extension of the agreements about U.S. bases in Spain under present terms.

In current negotiations, Spain is holding out for a mutual security treaty, even though U.S. officials have pointed out that such an arrangement has little chance of approval by the U.S. Senate.

During his three-day visit here to brief Spanish officials on the recent NATO meeting in Brussels, Mr. Lowenstein also gave an "off-the-record" lecture on the role of Congress in U.S. foreign policy at the U.S. Embassy residence. The talk was attended by a number of Spanish military officers as well as by democratic dissidents, including one recently arrested for political activities.

Protest to Kissinger

Spanish Foreign Minister Pedro Cortina has protested about reports of U.S. contacts with dissidents to Mr. Kissinger during the secretary's stopovers in Spain en route to the Middle East, according to sources.

In a related shift of policy, the U.S. has backed Morocco in its dispute with Spain over the Spanish Sahara, a thinly populated phosphate-rich desert colony with a long coastline on the Atlantic. While Morocco wants the dispute to be settled by the World Court at The Hague, Spain wants the people in the territory to decide their future in a referendum to be held by the middle of next year.

The U.S. position on the Sahara, as well as a recent shipment of U.S. arms to Morocco, has irritated the Spanish Foreign Ministry and alarmed senior Spanish military men. Spain maintains a large military contingent in the Sahara to protect the phosphate mines.

Balance of Power

Spanish democrats who met visiting U.S. officials in recent days said that the Americans not only explained the reason for the U.S. stand on the future of the Sahara, but covered the entire field of U.S. policy in the Mediterranean, with particular emphasis on Italy and Portugal, and expressed views on how events in Spain could tilt the balance of power in the area.

The U.S. officials expressed concern, the sources said, over the political course of Spain in the post-Franco era, and what role, if any, the Communist party, which has been outlawed for the last 35 years, would play.

The presence of a Communist in Portugal's government, and the possibility that a Communist may be included in a future Italian government, have been a source of U.S. concern for months. The emergence of Communism as a major political force in Spain

CIA Reportedly Conducted Major Illegal Operation in U.S.

(Continued from Page 1)

at the meeting that he had ordered an investigation of the agency's domestic activities and had found some improprieties.

Family Skeletons

But he is known to have added: "I think family skeletons are best left where they are—in the closet." He then said that the "good thing about all of this was [that] the red flag was raised by a group of junior employees inside the agency."

Beyond his briefings for Sen. John Stennis, D-Miss., and Rep. Lucien Nedra, D-Mich., the respective chairmen of the Senate and House Intelligence subcommittees of the Armed Services Committee, Mr. Colby apparently had not informed other Ford administration officials as of Friday of the CIA problems.

Mr. Schlesinger, who became secretary of defense after serving less than six months at the CIA, similarly refused to discuss the domestic spying activities. But he was described by an associate as extremely concerned and disturbed by what he discovered at the CIA upon replacing Mr. Helms.

Mr. Schlesinger was at the CIA when the first word of the agency's involvement in the September 1971 burglary of the office of Daniel Ellsberg's psychiatrist by the White House security force called the "plumbers" became known.

It was Mr. Schlesinger who also discovered and turned over to the Justice Department a series of letters written to Mr. Helms by James McCord Jr., one of the original Watergate defendants and a former CIA security official. The letters, which told of White House involvement in the Watergate burglary, had been deposited in an agency office.

One Result

The associate said one result of Mr. Schlesinger's inquiries into Watergate and the domestic aspects of the CIA operations was his executive edict ordering a halt to all questionable counterintelligence operations inside the United States.

Mr. Huston, now an Indiana attorney, said in a telephone conversation Friday that he had not learned of any clandestine domestic CIA activities while he worked in the White House.

Took Exception

Mr. Huston took vigorous exception to a suggestion by intelligence officials that his proposed White House domestic intelligence plan resulted in increased pressure on the CIA to collect domestic intelligence.

Sen. Howard Baker Jr., R-Tenn., who was vice chairman of the Senate Watergate Committee, has publicly spoken of mysterious CIA links to Watergate. The White House transcripts of June 23, 1972, show Mr. Nixon saying to H. R. Haldeman, his chief of staff, "Well, we protected Helms from one hell of a lot of things."

The remark, commented upon by many officials during recent interviews, could indicate presidential knowledge about the CIA's alleged domestic activities.

The possible Watergate link is but one of many questions posed by the disclosure about the CIA that The Times' sources say they believe can be unraveled only by extensive congressional hearings.

The CIA domestic activities during the Nixon administration were directed, the sources said, by James Angleton, who is still in charge of the counterintelligence department, the agency's most powerful and mysterious unit.

As head of counterintelligence, Mr. Angleton is in charge of maintaining the CIA's "sources and methods of intelligence," which means that he and his men must insure that foreign in-

Directed at Anti-War Groups Under Nixon

Ford Rules Out Domestic Activity By CIA Under His Administration

GRAND JUNCTION, Colo., Dec. 22 (AP).—President Ford said today that he would not tolerate any domestic intelligence operations or spying on American citizens by the CIA.

The President was responding to a New York Times report that the CIA had violated its charter by conducting major illegal domestic intelligence operations during the Nixon administration against the anti-war movement, and other dissident groups in the United States.

Mr. Ford said he had received a telephone call about the article from CIA Director William Colby while he was traveling here on his way to Vail, Colo., for a vacation.

Mr. Ford said that Mr. Colby reassured him during the call "that nothing comparable to what was stated in the article was going on over there and I told him that under no circumstances would I tolerate any such activities."

Mr. Ford did not address the question of whether such activities had been going on during the Nixon administration. He said that the CIA has "a very specific charter and they should live up to that charter."

Asked if he had learned of the alleged domestic-intelligence activity before it had been revealed by The Times, the President said: "I had some partial information." He did not elaborate.

They recruited plants, informers and double agents [double agents], the source said. "They were collecting information and, when counterintelligence collects information, you use all of those techniques."

Source knowledgeable about the CIA believed that Mr. Angleton was permitted to continue his alleged domestic operations because of the great power he wielded inside the agency as director of counterintelligence.

Dozens of other former CIA men talked in recent interviews with expressions of fear and awe about Mr. Angleton, an accomplished botanist and Yale graduate who once edited a poetry magazine there.

He was repeatedly described by former CIA officials as an unrelenting cold warrior who was convinced that the Soviet Union was playing a major role in the anti-war activities.

Another former official charged that the CIA had been "infiltrated" by the Soviet Union.

selection process by applying for a visa in London. An Australian official said the reason for the change was that "nasty incidents occurred when certain undesirable entered Australia."

Last year, one-quarter of the 100,000 immigrants to Australia were from Britain. This year, the total inflow will be kept to 80,000.

West Germany, France, Belgium, Denmark and Luxembourg have banned the entry of foreign workers in recent months. At least two West German companies, Volkswagen and the General Motors Opel subsidiary, are offering bonuses of up to \$3,000 to induce workers to quit and go back home.

Twice within four years, the Swiss have debated and then rejected xenophobic proposals which would have led to the deportation of hundreds of thousands of "guest workers."

The mix of immigrants differs from country to country. In West Germany, the predominant nationalities are Turkish, Yugoslav and Italian. In France, Algerians form the largest foreign element, followed by Portuguese, Spaniards and Italians. Recently, there has been an influx from former colonies in black Africa.

In West Germany, migrants represent 11 per cent of the total work force but in industrial districts of Stuttgart, Ludwigsburg and Göttingen, migrant labor accounts for 20 per cent of all wage earners.

In France, immigrants represent 11 per cent of the work force, in Britain, 7 per cent, and in Switzerland, 37 per cent.

They work in hotels, hospitals and public transport and take the night-shift and unskilled jobs in the rubber and plastics, metal, food and furniture, textile and construction industries.

According to an internal report of the Common Market Executive Commission, "the workers are

authorized counterintelligence as "an independent power in the CIA. Even people in the agency aren't allowed to deal directly with the CI [counterintelligence] people. Once in a while," he said, "you're in for life."

An intelligence expert described the Special Operations Branch of counterintelligence as the "deep-snow section." Its liaison with Mr. Helms was conducted by Richard Ober, a long-time counterintelligence official who had served in New Delhi for the CIA. That unit performed the wiretaps and break-ins authorized by higher intelligence authorities.

Mr. Angleton, reached by telephone last week, denied that his counterintelligence department operated domestically. "We know our jurisdiction," he said.

Mr. Angleton told of a report from a U.S. agent in Moscow who was relaying information to the CIA on the underground and radical bombings in the United States during the height of the anti-war activity.

"The intelligence was not acquired in the United States," Mr. Angleton declared. "It came from Moscow. Our source there is still active and still productive; the opposition still doesn't know."

Mr. Angleton then described how the CIA had obtained information from a source in Moscow on the alleged demolition of black militants by the North Koreans. He also told of recent intelligence efforts involving the KGB and Yasser Arafat, chairman of the Palestinian Liberation Organization.

Officials closely involved with U.S. intelligence expressed amazement and dismay that the head of counterintelligence would make such random suggestions during a telephone conversation with a newsmen.

"You know," said a member of Congress who is involved with the monitoring of CIA activities, "that's even a better story than the domestic spying."

Wealthy Nations Tighten Immigration Curbs

By Clyde H. Farnsworth

PARIS, Dec. 22 (NYT).—On the elegant Avenue Victor Hugo, three black street sweepers leaned on their brooms in front of a shop displaying expensive sound equipment. They discussed the relative merits of tape recorders. Because they earned 75 cents an hour, the products in the window were well out of their reach.

The three are among 62 million immigrant workers from southern Europe, the Indian subcontinent and central and northern Africa who live in the nine Common Market nations. With their families, the total is more than 13 million persons and, in Western Europe, they make up 5 per cent of the population.

The doors are closing on this movement of people, one of the most remarkable peacetime shifts of population in history, comparable to the move from Europe to America in the last century.

Not just European nations but other rich countries as well are getting nervous about the inflow of immigrants. All are reacting to worsening economic prospects.

Job Offer

Australia and New Zealand have tightened their quota systems. Canada, faced with immigration applications from more than 1 million persons during the next four years, requires that foreign workers enter with a firm job offer or work in an occupation where the labor supply is short.

Britain has controlled immigration from the Commonwealth, which used to be unlimited, for the last decade. Controls have recently been made more strict.

Australia and New Zealand have gone so far as to control the entry of Britons for the first time. Beginning Jan. 1, Britons will have to go through an initial

often forced to live in shanty towns, improvised lodgings, unhealthy premises, hovels, attics, decayed and overcrowded tenements in districts practically indistinguishable from ghettos.

A similar situation exists in the United States with the "wetbacks" who make their way across the Rio Grande from Mexico and with the illegal immigrants who come to New York from Latin America and the Caribbean.

The report says that most immigrants in EEC countries are second-class citizens who owe obligations to their host countries but are given few rights or benefits in return.

The receiving country looks at the immigrant as a temporary phenomenon, and the "guest worker" himself expects to stay only a few years. He sends money home every month. Only later in the cycle does he call for his family and settle in.

Colson Submits Pardon Request

WASHINGTON, Dec. 22 (AP).—Former Nixon aide Charles Colson submitted a request for a direct presidential pardon three months ago, has submitted a formal petition for executive clemency through the Justice Department.

Colson's lawyers submitted the petition Friday, department sources said. Colson is serving a prison term of one to three years for obstructing justice. He admitted he had spread derogatory information about Daniel Ellsberg, who gave the Pentagon papers to the press.

Colson asked President Ford for a pardon in September, but White House Counsel Philip Buchen replied that Colson had to follow normal procedure and file an application with the Justice Department's pardon attorney.

Joint Space Test Pleases Houston

HOUSTON, Dec. 22 (AP).—Johnson Space Center officials said yesterday that they were well pleased with the first space flight simulation Friday between the center and a Soviet space flight control center.

"It went as well or better than I expected," Pete Frank, American flight director for the Apollo-Soyuz Test Project, said. The first space mission involving the two countries is set for July 15.

The simulation flight was the first time that the Johnson mission control center had worked with another space flight control center. The communications from Johnson to the Russian control center, 40 miles north of Moscow, go by land lines from Greenbelt, Md., to New York, then to a satellite, down to land lines in Europe, then onto the Russian center. Nine commercial lines are used.

Two Military Chiefs Identified by China

TOKYO, Dec. 22 (AP).—China has disclosed the names of two more deputy chiefs of staff of the armed forces bringing to eight the number of those identified so far.

Yang Cheng-wu and Ho Chen-wen were identified by the official news agency as deputy chiefs of staff in articles about two separate functions in Peking yesterday.



REGULATION DRESS — Marching along during Army basic training at Fort Ord, Calif., is Tom Elliott, a Sikh minister also known as Hari Nam Singh Elliott. The 23-year-old native of Oswego, Ore., was given special permission by the military to wear the turban and beard.

مكتبة القرآن الكريم

of an Era

ken, Ervin and Fulbright
end Final Day in Senate

By Marjorie Hunter

WASHINGTON, Dec. 22 (NYT).—The 93rd Congress ended its final day Friday with three hours of debate, his white hair massed, Mr. Ervin, 76, as his 34 years as Republican senator from Vermont neared an end.

Mr. Ervin... Fulbright... names, intoned a thousand or more over the years by all-call clerks, were sounded a time. Only two of them red before the 93d Congress ended.

bags packed, his car waiting the curb, Sen. Sam Ervin, D-N.C., slipped out of the Senate in midafternoon, waiting for adjournment, to the drive back to his North Carolina foothills, the locale for the folksy tales that he told during the Senate Water-gate hearings last year.

William Fulbright, D-Ark., ears the chairman of the Senate Relations Committee, most of his final day in office, appearing on the floor for roll call.



George Aiken

Agency Ends
on a Female
Intrauterine

WASHINGTON, Dec. 22 (NYT).—Food and Drug Administration has ended a six-month ban on use of a widely prescribed intrauterine device called the "shield," which has been used to a disproportionate number of abortions and even deaths.

FDA said, however, that use of the intrauterine device will be carefully controlled, a news conference on Friday. Dr. Alexander Schmidt, the commissioner, said the agency has arranged with the manufacturer, A. H. Robins Co., to distribute the device to doctors who agree to enter each patient at the time of insertion and to keep detailed records of each patient's experience. Through this registry will be a continuing check on safety and efficacy of the device.

advisory committee to the had recommended that the device be continued until serious questions were settled. Schmidt said the arrangement with A. H. Robins will the agency to accumulate definitive data the committee called for.

Jet Tested

RES, France, Dec. 22 (UPI).—A new Mirage F-1M-53 jet flew for the first time today for competition with the Swedish fighters military contract from Sweden.



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The only Swiss-made ballpoint pen in the world
• unlimited international guarantee
• fast cartridge
CARAN D'ACHE
Geneva, Switzerland

Only Sen. George Aiken, the 84-year-old dean of the Senate, sat through much of the final hours of debate, his white hair massed, Mr. Ervin, 76, as his 34 years as Republican senator from Vermont neared an end.

In his parting words to old colleagues, Sen. Aiken offered a bit of advice to those who, like him, would be leaving: "I want to say to those of us who are attending our last session of the Senate that I think we have a lot of work to do when we get home, because there is a great deal of misunderstanding about what the work of Congress is, what the work of government is, and there is a lot of misrepresentation."

"It seems to me that probably those of us who are going home can do as much good there as we have been here in the last few years."

Sen. Aiken will retire to his native Vermont early next year. Before leaving, Sen. Ervin guided through to final passage the last bill of his nearly 32 years in the Senate—a measure to speed up federal criminal trials and procedures.

"I've been trying to get this bill for five or six years," he said later. "This is a good way for me to go."

Sen. Ervin, 76, who will retire to his old hometown of Morganton, N.C., also had a word of advice for colleagues.

"I advise them to persevere in righteousness," he said, his eyebrows bobbing merrily.

It was not foreign aid or legislation dealing with wars or threats of wars that preoccupied Sen. Fulbright, 69, in his final hours in the office that he had held for 30 years.

His final insertion in the Congressional Record dealt, instead, with the Kennedy Center for the Performing Arts, created under legislation of which he was a principal sponsor.

"I would much rather our nation be respected for achievements in the cultural field," he said, "than that we be feared as a nuclear giant. I think the Kennedy Center is a symbol of what should be our aspirations for a good society."



Sam Ervin

TWA and Boeing
Sued After Crash
For \$850 Million

NEW YORK, Dec. 22 (Reuters).—Trans World Airlines and the Boeing Co. have been sued for \$850 million in an action stemming from the crash of a TWA jet near Washington Dec. 1.

The suit, filed in a federal court here by F. Lee Bailey, a prominent criminal lawyer, alleges a lack of adequate and properly functioning safety devices aboard the Boeing-727.

The aircraft crashed into the fog-shrouded Blue Ridge Mountains about 45 miles northwest of Washington, killing all 93 persons aboard.

The suit was brought on behalf of Mrs. Esde English of Denmark, S.C., whose daughter, Mrs. Annie Killingsworth, 25, of Columbus, Ohio, was one of the passengers killed.

U.S. Steel Submits
Price Rise Data

WASHINGTON, Dec. 22 (AP).—The nation's largest steel producer, U.S. Steel Corp., submitted written documentation to the government Friday as justification of its 8-per-cent increase in prices of many steel products.

President Ford had demanded that the firm explain its price increase. A spokesman for the Council of Wage and Price Stability, which is investigating the price hikes, said that it had received a note from a second steel company, CF&I of Pueblo, Colo., saying that it also would send material to Washington to justify its own announced price increases.

77 Held in Mozambique

JOHANNESBURG, Dec. 22 (UPI).—The police and Frelimo troops in Mozambique have arrested 77 persons—most of them whites—suspected of "creating a climate of uncertainty" and have tightened security in the port of Beira, the South African Broadcasting Corp. said today.



OUT OF THE PAST—Two chimney sweeps in Lakewood, Colo., a suburb of Denver, wear the traditional clothes although they charge an up-to-date \$30.

The 93d Congress's Record
Of Achievement—and Failure

By David E. Rosenbaum

WASHINGTON, Dec. 22 (NYT).

The last two years were tumultuous politically and the 93d Congress, which adjourned Friday night, was in the center of the storm.

It will go down in history as the Congress that helped depose a president and, in the process, set precedents for investigation and impeachment.

It was the 93d Congress that first used the procedures of the 25th Amendment to the Constitution to confirm Gerald Ford and Nelson Rockefeller as vice-presidents.

Because of the political turmoil, the legislative accomplishments of the last two years received less attention than they might have otherwise. But congressional leaders believe that some of the laws that were enacted may also prove to have great import.

For example, while the nation's attention was focused on Richard Nixon's resignation and Mr. Ford's accession to the presidency, Congress cleared legislation in August setting strict standards for private pension plans.

30 Million Affected

There are 30 million Americans who are members of such plans, and many experts believe the congressional action was as important as was the enactment of Medicare a decade ago in protecting the welfare of the elderly.

In the area of foreign affairs, the 93d Congress passed a major trade bill, which opens the way to important international negotiations, and passed legislation limiting the power of a president to commit U.S. armed forces to foreign hostilities without congressional approval. The law was enacted over Mr. Nixon's veto.

By using its power to withhold funds, Congress forced Mr. Nixon to end U.S. bombing in Cambodia in August, 1973.

Congress took steps to improve its machinery for dealing with the budget and enacted legislation that alters the traditional method of financing political campaigns through large private contributions.

Also of importance to long-term national policy was a farm bill that turned agricultural policy around after nearly 40 years of reliance on crop controls.

The 93d Congress failed to complete action on a number of significant issues.

The House Ways and Means Committee spent much of the last two years on the question of revising the tax law but comprehensive tax reform legislation never reached the floor of the House.

Tax reform and the issue of national health insurance are likely to be given priority in the next Congress.

No broad legislation was enacted to conserve energy despite the energy crisis of the winter of 1973-74.

Two bills sought by environmentalists failed to be enacted. A measure providing grants to the states to help them develop land-use policies was passed by the Senate but defeated in a procedural vote in the House.

And a bill setting federal regulations for the strip-mining of coal cleared Congress in the last days of this year's session but is certain to be vetoed by Mr. Ford.

In several areas, the Democratic-controlled Congress blocked efforts by the Republican administration to change basic federal programs.

Congress rejected Mr. Nixon's proposal for education revenue sharing and approved a five-year extension of most existing programs aiding elementary and secondary schools and their students. It also failed to pass effective restrictions on busing, although Mr. Nixon and Mr. Ford favored them.

Congress continued housing-subsidy programs, despite administration recommendations to phase them out in favor of cash payments to the poor.

The bill guaranteeing workers

enrolled in pension plans certain basic protection was the most important measure in the area of domestic social programs, but there were other significant measures.

Under one measure, part of the money collected from federal taxes on gasoline, tires and trucking tonnage, which heretofore could be used only to construct highways, would be available to build mass transit systems. Another bill provided, for the first time, federal grants to local transit agencies to help pay their operating expenses.

Congress also approved an increase in Social Security payments to reflect the sharp rise in living costs and raised the federal minimum wage in states from \$1.60 an hour at the beginning of this year to \$2 this year and \$2.30 in 1976 for most nonfarm workers.

Another measure increased educational benefits for veterans, giving Vietnam veterans approximately the same level of support under the GI Bill as World War II veterans received.

In its last days, this Congress, reacting to the nation's rapidly rising unemployment, enacted measures providing for hundreds of thousands of public service jobs and expanded unemployment compensation for those out of work.

Earlier, Congress voted to allow Americans to own gold, beginning Dec. 31, for the first time since 1934.

At the same time, to produce the "shock effect" necessary for cutting back energy use, the committee recommended a 30-cent-a-gallon gasoline tax. All of the estimated \$25 billion thus collected should be rebated to avoid worsening the economic slide, it said.

The emphasis of the report, commissioned by a Senate resolution of Aug. 7, was that the nation faces its worst recession in more than 35 years. It argued that the only way to combat both recession and inflation is to use fiscal and monetary stimulants and intervention in some wage-price matters to restore economic growth.

The group warned that the nation would still be in deep trouble for the rest of the decade, even if, as it assumes, the administration shortly adopts more expansionist programs.

Jobsless Forecast

At best, the report said, the United States is destined to suffer from high unemployment rates for several years. It predicted that the jobsless rate—even with the stimulus it recommended—would average 7 1/2 per cent in the last half of 1975, 7 per cent in 1976, and 6 per cent in 1977.

If there was a bright note, it was the prediction that inflationary pressures would ease off in 1975, the rate dropping to about 7 per cent after midyear if good harvests are satisfactory and there are "no new unanticipated external price shocks."

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Rockefeller
Given Duties
By PresidentAssigned to Posts in
Home, Foreign Areas

By Linda Charlton

WASHINGTON, Dec. 22 (NYT).—The White House announced late Friday that President Ford was appointing Vice-President Rockefeller vice-chairman of the Domestic Council and expected him to play a major role in "explaining" the President's domestic and foreign programs "throughout the country."

The first official announcement about Mr. Rockefeller's role was made by White House Press Secretary Ronald Nessen after Mr. Rockefeller and the President met, both alone and with members of both of their staffs, for about 90 minutes late Friday.

Mr. Nessen, at a news briefing, also announced the following duties for the Vice-President, who was sworn in Thursday night:

• He will assume the vice-chairmanship of the National Security Council.

• At his own request, he will have a "special interest" in handling the Domestic Council role in coordinating activities with governors and mayors.

• He has been appointed a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy headed by Robert Murphy.

Adviser System

Mr. Nessen also said that Mr. Ford had asked Mr. Rockefeller to make a study of the White House system of having a scientific adviser or board of advisers, with an eye to whether this system should be revised. The President has asked for a report from Mr. Rockefeller "in a month or so," Mr. Nessen said.

In addition to his apparent role as a major national spokesman for such presidential programs as the Strategic Arms Limitation Talks, Mr. Nessen said that Mr. Rockefeller will have a role in the planning of the 1976 Bicentennial celebration of America's independence.

Although Friday's announcement spelled out Mr. Rockefeller's official duties and responsibilities, it gave little hint of how much actual power he would have.

Mr. Ford is chairman ex officio of the Domestic Council and, as Mr. Nessen pointed out, the executive director's job is a day-to-day administrative post. That would be too time consuming for the President. This could mean, then, that the real power in the Domestic Council could be Mr. Rockefeller.

Mr. Nessen stressed that "the President felt strongly that he has an open door to the Vice-President." He said it had been decided that members of the Vice-President's staff will be attending regular White House staff meetings.

Mr. Rockefeller will also have a role in recruiting "top people" for the administration, Mr. Nessen said.



NO ROOF OVER HER HEAD—A woman in La Paz, Bolivia, weeps amid the ruins of her slum home after a cave-in. More than 60 homes were ruined, but no lives lost.

Ford's 'WIN' War on Prices Is Fizzling Out

By William Chapman

WASHINGTON, Dec. 22 (WP).

It was to be, in President Ford's words, a veritable war on inflation in the United States, with all the home front trappings—vegetable gardens, inducements to shop cheaply and tiny flags to reward nongovernment merchants. WIN (Whip Inflation Now) was the slogan.

Two months later the war is scarcely a skirmish. In Washington, the general staff consists of two full-time volunteers and two part-timers. Thousands of letters from earnest cooperative citizens remain unanswered. Gone is the adventurous notion of urging citizens to sign pledges to abstain from shopping at overpricing stores (there was not enough money to print the pledge cards).

The nation's mayors were asked to cooperate by establishing local WIN committees but their response according to an official was "thin." An advertising campaign using volunteer talent

was abandoned because funds were not available.

"WIN was what the advertising world would call an over-promise," observed Edward Block, a Chicago executive who has taken over as WIN's volunteer executive director. "More was anticipated than was reasonable to expect."

200,000 Letters

His predecessor, Russell Freeburg, wearily recalls the first days of WIN when a tiny staff was trying to handle the avalanche of inquiries that ran to 1,000 telephone calls a day and more than 200,000 letters addressed to President Ford.

"What we have been doing so far," Mr. Freeburg said, "is like building an airplane in mid-air." WIN was the outgrowth of recommendations given to Mr. Ford by his Citizens' Action Committee to Fight Inflation. He gave it the acronym and popularized it by conspicuously wearing a WIN button whenever he was in public view.

He gave it a personal sendoff in speeches, ticking off the things

that John Q. Public could do to fight higher prices and pronouncing the beginning of "a great citizens' mobilization."

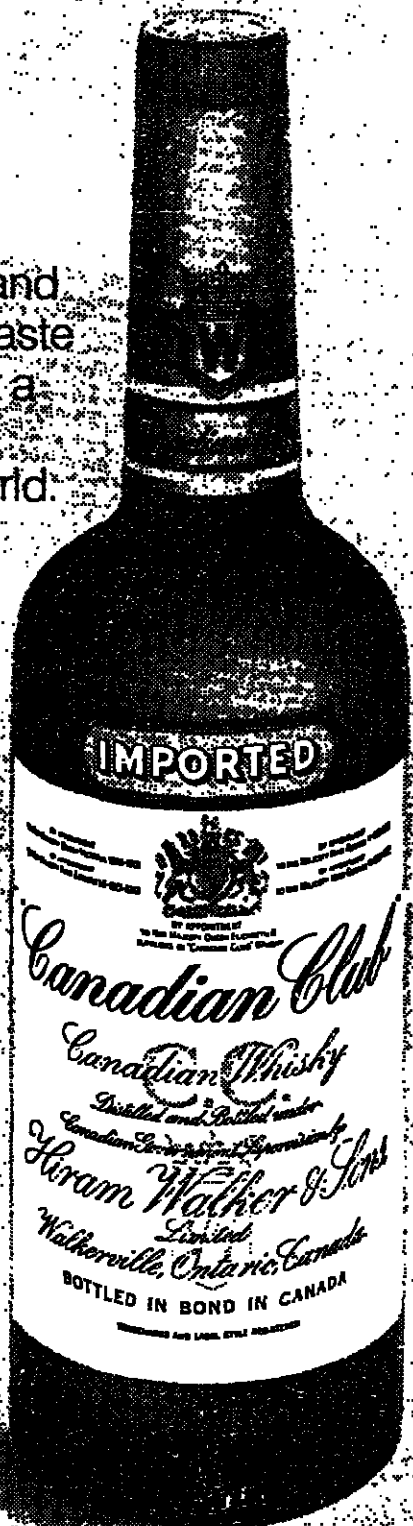
He could not complain about the immediate response. Thousands wrote Mr. Ford asking specifically what they could do to help and there the momentum stopped. Programs to enlist masses of volunteers did not exist, even on paper, and WIN's headquarters lacked the manpower to reply.

Even the small staff borrowed from other agencies began to dwindle and at least 100,000 letters to Mr. Ford are still unanswered.

The task of picking up the pieces and reorganizing WIN has fallen to Mr. Block, a Chicagoan on loan for two months from the Illinois Bell Telephone Co., where he is vice-president for public relations.

His goals are modest and admittedly still a little vague. Asked to explain what the new WIN programs will include, he begins, "I can hardly wait to hear what I'm going to say."

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crystal and china stores on the
avenue de la République
Métro: Palais National & Gare de l'Est.

Comoro Independence

MORONI, Comoro Islands, Dec. 22 (Reuters).—Residents of the four islands of the Comoro archipelago voted for independence from France in a referendum today, officials said. The islands in the Indian Ocean have 172,000 residents.

Spain's Ticking Bomb

With Generalissimo Franco still nominally in charge at 82, the Spanish government is pursuing a policy of intensified repression that makes a mockery of Premier Carlos Arias Navarro's promise last February of modest liberalization.

Premier Arias must have been embarrassed when he presented the nation with his long-awaited bill to give Spaniards "the right to associate freely for political purposes." Far from giving a green light for free organization of parties for the first time in 35 years, the bill vests decisions on what groups may organize in the National Movement, the only political organization allowed in Spain since Gen. Franco's victory in the civil war.

This would effectively rule out legality for all democratic forces, for all of them—from moderate right to moderate left—agree that a democratic system must replace the authoritarian regime built by the Generalissimo. None would agree to function under control of the Falange-dominated National Movement. So much for Mr. Arias's claim

that the bill would bring "an important consolidation of the democratic process."

The bill on political association is one of many disappointments in the last year for those who had hoped for liberalization. In June, Gen. Franco dismissed the chief of the general staff, an officer said to favor the gradual restoration of democracy. In October, the Generalissimo forced out of the cabinet a minister of information who had granted wider press freedom.

Repression and police torture have increased, along with the opposition—peaceful and otherwise—that such tactics provoke. More than a thousand have been arrested for political activity this year and 450 remain in jail.

These policies and tactics not only cannot insure continuation of a Franco-type regime after the Generalissimo's departure; they will make a nonviolent transition to the post-Franco era impossible. The time for arranging a peaceful political evolution in Spain is rapidly running out. It will be tragic if Gen. Franco—or those who control him—cannot recognize that fact.

THE NEW YORK TIMES.

Common Market Upbeat

As Dr. Johnson once said of a dog walking on its hind legs, the surprising thing about the unity of the nine old nation states of Europe's Common Market is not how well they toddle along together but that they do it at all. The recent summit conference in Paris should help the Nine do it better. Only two or three years ago, almost any of the measures now adopted would have been treated as a spectacular step forward. And if they work out as planned, these new procedural decisions could mark a constitutional watershed for the European Community.

Most important is the so-called "institutionalization of the summit." The nine chiefs of government will meet "routinely" at least three times yearly instead of dramatically at intervals of one to three years—and, in effect, constitute themselves into a kind of European cabinet to improve Common Market decision-making.

Both the new summit-level European council and the newly organized ministerial council will attempt to speed their work by

majority decisions, abandoning the rule of unanimity except on issues affecting vital national interests. The powerless European assembly, its members now named by national parliaments, is to be elected directly by universal suffrage, perhaps as early as 1978. This new European parliament is expected gradually to assume many of the powers of the national parliaments.

The Common Market is like a man on a bicycle: it must progress or topple. Progress toward common foreign policy positions has been made in the past year. But progress toward economic and monetary union has been blocked first by the breakdown of the world monetary system and, more recently, by the oil-money crisis. Union in the field of defense remains distant.

The institutional reforms now agreed upon could advance all these objectives. A United States of Europe will not be created in this decade and perhaps not even by the end of the century. But significant steps toward the political mechanism that could bring it about are now finally being taken.

THE NEW YORK TIMES.

The United Nations

The impression is about that it was half out of indifference and half out of spite that the United States decided against participation in a proposed new United Nations "Special Fund" to finance emergency relief and development. But this is unfair. The United States hardly deserves to take sweeping bows for its recent record with respect to international largesse. The story of the Special Fund, however, is something else again, and it begins with the General Assembly special session on the world economy convened last spring. That meeting was convened at the oil cartel's initiative so that the cartel could blame for its sudden savage price increases.

For the 32 so-called most seriously affected (MSA) countries, a one-year one-shot program termed the UN Emergency Operation was set up under the respected Raul Prebisch to mobilize special financial aid. All things considered, this program is doing pretty well so far. Mr. Prebisch reports, although the needs are huge and continuing. The United States, whose own emergency-aid plan last spring was brushed aside, is nonetheless contributing through various channels to the Emergency Operation. There is no sign that its pique at the General Assembly's capriciousness in the recent session, which closed last Wednesday, has affected its policy toward this program.

The Special Fund, however, is a horse of a different hue. It was voted into existence, on paper, last spring essentially because more advanced countries—other than the 32 most seriously affected—wanted to find a new way to tap the capital of old rich and new rich alike. This fund is supposed to open for

business on Jan. 1 as a permanent institution. But not one country has put one nickel into it. The United States prefers to funnel its development contributions through agencies of its own, such as AID, or through existing international institutions that it knows and partly controls, such as the World Bank. Other Western donors feel exactly the same way. Every single country in the oil cartel has evinced a similar desire to offer development funds only through bilateral or regional channels sensitive to its own direction. None wishes to create a bank controlled by borrowers, as the Special Fund would be. News reports have put the onus on the United States for not joining the Special Fund. But the impetus behind the fund was transient and political, and it now seems evident that, with or without the United States, the Special Fund was in effect stillborn.

Perhaps at some future point the international community will decide to funnel development funds through a United Nations institution, one that is subject to the political currents and rivalries which make the General Assembly the feisty forum it is. That will happen, if it ever happens, at about the same time that the states making up the international community are ready to commit their security, as well as their development, to an international body. For the time being, however, there are plenty of outlets for development funds. In so far as development is a money problem, it is not that there are too few banking windows. The problem is that there is not enough money.

THE WASHINGTON POST.

International Opinion

East-West Détente

It has been an instructive week for détente-watchers. The Russians, understandably nettled by public pronouncements

is proceeding with the controversial trade reform bill. Its reasoning is that though the Russians may have to talk tough to preserve their image, the expansion of East-West trade and of détente in general



Time for Unity in U.S. Government

By James Reston

WASHINGTON.—At the end of 1974, a time of economic and political turmoil in the world, a strong case can be made for the creation of a bipartisan government of national unity in Washington.

It could not be a "national government" in Canadian or British parliamentary terms, but it might help, especially now when President Ford is reorganizing his administration and calling for a moratorium on partisan rancor. Accordingly, in the present exceptional circumstances, it is in Ford's power to select a cabinet from the best men and women in the country, regardless of party, and at least try to negotiate a compromise program with the Democratic leaders for the last two years of his term.

These two years will carry us to the 30th anniversary of the republic—obviously an occasion for national unity—and into the last quarter of the century, when the purpose and performance of the United States will be critical, and maybe even decisive, for the peace and order of the world.

Danger Period

Like the period between Munich and the outbreak of the Second World War, the nation now faces what Henry Stimson then called "a clear and present danger." It is not a danger of war now but of economic trouble at home and monetary and political chaos abroad.

Franklin Roosevelt reacted to Stimson's call for unity by putting him and Frank Knox, both Republicans, into the cabinet. This was more symbolic than anything else, but it reassured a troubled people that their political leaders were going to work together and put the national interest ahead of personal or party interest.

The trend now in Washington is in the opposite direction. As prices and unemployment rise, partisan tension increases. The Democrats are coming into the 94th Congress next month with formidable majorities, but with no agreed remedies for the recession.

At one and the same time, they proclaim their willingness to cooperate with Ford, but try to make him look like another Herbert Hoover. Meanwhile, the presidential campaign of 1976 has already started, and personal ambitions are beginning to add to the confusion, not only on domestic economic policy, but in the nation's relations with the Soviet Union, China, Europe and the Middle East.

In fairness, the Democratic leaders in Congress—Mike Mansfield in the Senate and Speaker Albert and majority leader Tip O'Neill in the House—are trying to cooperate with Ford, but there is no party program, allegiance, or discipline. They can talk and

moratorium on partisan squabbling over economic policy and a partnership with the Democrats, but is not acting on it, and once he gets rid of the old Nixon team and appoints one of his own, he will probably be stuck with it for the next two years.

The objection to a bipartisan government of unity, of course, is that the President would have to negotiate with the Democratic leaders about the program he proposes to put before the new 94th Congress, but he will have

to negotiate with them anyway, either before the Congress meets or after, for they have the votes, not only to defeat his party programs, but even to override his vetoes.

Ford has promised to cooperate with the Democrats, to consult and consult, but not to share responsibility, and this may be the only way and the only time to avoid a party struggle which could only make the economic crisis even more difficult than it is.

Giscard I—A Sense of Style

By C.L. Sulzberger

PARIS.—It should not be surprising to this elegant nation that its new President, Valéry Giscard d'Estaing, should have brought with him to France's highest office a conscious and intellectualized sense of style. For Giscard, as he is generally known, style is not only an expression of artistic grace but part of the technique of government.

He does not limit application of this personal philosophy to decisions concerning formal ceremonies: removal of the drums from renditions of the national anthem; changing the route of the Bastille Day parade to the area of the Bastille.

He seeks to impose a new concept of personal style on the presidency itself, leaning to informality when possible. He receives visitors he knows in sweater, accompanied by his splendid Weimaraner dog, Jugurtha, and reserves to himself the private life customary to prosperous, cultivated Frenchmen.

For the tall, quiet-spoken and reflective chief of state, style is the aesthetic of action. It plays a role in various spheres and he feels it can influence the balance

of political forces. When public opinion doesn't perceive the ultimate goal of governmental policy, it focuses on the style of its presentation.

This is a subtle approach to the art of applying power. Thus, the single word "style" embraces the argumentation of issues. For Giscard a new style must be used because ours is a new time.

Certainly the President has no criticism for the personal style of his immediate predecessors. He acknowledges De Gaulle's style as superb; that of a great military chief, Pompidou, on the other hand, was simple in the best sense and gave to his office a maximum possible dignity.

Part of the Giscardien approach to this concept of style is an obvious change in methodology. For the first time under the Fifth Republic a President mixes with the people, out of office hours, an approach that would have astounded De Gaulle and which encourages criticism by some contemporary Gaullists.

But, as the President points out, this search for contacts is no new thing for French chiefs of state. King Henry IV mixed extensively with his subjects, Napoleon I cir-

Jackson's Candidacy: Does Character Count?

By George F. Will

WASHINGTON.—Sen. Henry Jackson, D-Wash., has become a one-man shadow government, with a foreign policy (and the Soviet Union) to accommodate, and an energy policy that has one advantage over the administration's energy policy: Jackson's policy exists.

Now he is going to find out how far an untalented man of character can go toward the White House on nothing but an unrivaled and perhaps even unprecedented record of legislative accomplishment. The drama of his nomination drive derives from this: he is running not only against a flock of competitors, most of them lightweights, but also against the theory that today, more than ever, lightweights can aspire to high office because, more than ever, a record of performance in government is irrelevant to an effective candidacy.

Walker Bagehot's description of Sir Robert Peel fits Jackson. "A man of common opinions and uncommon abilities." He is the embodiment of Democratic orthodoxy; the pedigree of his ideas, like his career in Congress, runs back to the Franklin Roosevelt administration.

Regarding domestic policies he probably is the most liberal candidate in the field, if one defines liberalism (as, alas, one must) largely in terms of a breezy confidence in the ability of federal power to achieve intended effects.

No candidate has more confidence in the ability of the federal government to control, regulate, ration and generally supplant market forces, efficiently and beneficently, in allocating the resources and directing the choices of 212 million Americans. He has served in the federal government—in Congress—since 1961, and he almost certainly gives it the unwarranted benefit of warranted doubts. But this mistake serves to establish his liberal credentials.

The only people who call Jackson a "conservative" are Democratic leftists who know better, but who cynically persist, fueled by resentment of Jackson's fidelity to the Democratic party's noble foreign policy record. As Mark Twain said, nothing is harder to bear than the burden of good example, and Jackson is unbearable because he has forewarned the current liberal tactic for winning office. That tactic is to pander to a weary public's understandable desire to believe that the United States no longer

has foreign obligations or enemies that require costly and strenuous sacrifices. Jackson has suffered the fate of the late Felix Frankfurter: When Frankfurter was appointed to the Supreme Court he was recognized as a liberal; by the time he left some liberals were calling him a conservative. But he never changed his policy of judicial restraint. He just refused to tack with the winds that blew flimsier liberals away from principles that had become tactically inconvenient.

Formidable Foe

Jackson, like most ordinary Democrats, is proud of the fact (and it is a fact) that the Democratic party has been the most formidable adversary of the 20th century's worst political diseases—Communism and fascism. But he has not yet developed what Bagehot saw in William Pitt: "The successful power to give in a more than ordinary manner the true feelings and sentiments of ordinary men." That probably is an indispensable attribute of a great Democratic leader. But it probably is not necessary for a successful Democratic candidate at a time when eloquence, and even simple articulateness, are scarce commodities in both parties.

The strength of his candidacy may be that he, more than any of his rivals, believes that the voters in 1976 will be responding to conditions substantially different—and worse—than those that exist today. If the deterioration of economic conditions, worldwide, is as steep and steady as Jackson thinks it may be, his reputation as a man of policies—a "governing man"—may make more than the incurable blandness of his public personality.

Hard times concentrate voters' minds on essentials. Jackson, a man of no waste motion, is a man of essentials, all policy and no flair. This, and the respect he has earned from friends and foes alike, places Jackson among the greatest senators, like Henry Clay and Robert Taft. They like Jackson, attracted the support of many people who differ with them on many political matters, but who cherished character—the scarcest commodity—wherever it is found.

That comparison, though flattering, and not extravagantly so, has a dark dimension. Clay and Taft are the two senators who most conspicuously deserved the presidency, but never achieved it.

of their way to cater to mass opinion.

Despite these personal views on the art of leadership in France, Giscard agrees with both De Gaulle and Pompidou that the world is now so complex that executive power in a democracy must be strong in the sense of efficiency. But he sees the need to preserve a valid legislative authority and feels that, in this respect, he differs from the general, who didn't bother too much with distinctions between the governmental branches.

The legislature in a democracy, he reasons, has enormous power to change society—as with the law permitting abortion in Catholic France, just passed by the National Assembly. And the legislature, Giscard believes, can help him in his project to make this country more flexible to face the problems of the present and the immediate future.

The President, who is about to celebrate his first Christmas in office, considers himself a man of the center and wholly without preconceived prejudices. Looking in his own psychological mirror, he might say: "Here is a man of the center-left on economic and social questions and a man of the center-right on questions involving national tradition." Yet, apart from the style in which he gains these leanings, he avoids ideological definition.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preferential will be given to those fully signed and bearing the writer's complete address.

Letters

Challenge to Europe

The appearance of Jean-Jacques Servan-Schreiber's editorial (ET, Dec. 10) has pleased me, because it draws the reader's attention to the necessity of considering the complex interdependence of the international political problems, in diversity and nuances.

But he has not convinced me that the official French position to deal with the energy crisis is a better alternative than Kissinger's plan, which would result from a large-scale nuclear war.

As one who has participated in CIAP, I suggest that the analysis and statement of the Defense Department is dangerously false.

This is doubtful since the extensive research program supported by the Department of Transportation on the environmental consequences of advertisement modification of atmospheric ozone (Climate Impact Assessment Program) has been widely publicized. Another, more ominous, reason could be a purposeful attempt to play down the growing alarm concerning the newly realized disastrous effect that would result from a large-scale nuclear war.

As one who has participated in CIAP, I suggest that the analysis and statement of the Defense Department is dangerously false.

what has happened in Brazil over the past three or four centuries. I personally know some Brazilians who are extremely angered by any attempt from outsiders to raise doubt as to their mixed ancestry. These people have solved their racial problems in bed. And I would draw the attention of your readers to the fact that in many Brazilian urban centers there are exclusive clubs for Arabs and Jews! The world has a lot to learn from Brazilians in the field of racial harmony.

ERIC-JOHN WOODWARD,
Carouge, Geneva.

JULIUS LONDON,

S.E. VAN DIJK,
Zollikon, Switzerland.

Obituaries

Rajani Dutt, 79, Theoretician Of Britain's Communist Party

LONDON, Dec. 22 (UPI)—Rajani Dutt, 79, a former theoretician of the British Communist Party, died here Friday after a long illness.

The party was founded in 1920 and Mr. Dutt served on the Executive Committee from 1922 to 1955. He was vice-chairman from 1955 to 1965, when he resigned in a leadership struggle.

Mr. Dutt was the first editor of the Workers' Weekly, from 1922

to 1924, and was editor of its successor, the Daily Worker, from 1924 to 1938. He also edited the Labour Monthly from 1921 until his death.

Son of Physician

He was born at Cambridge in 1896, the son of Upendra Krishna Dutt, an Indian physician, and Anna Dutt, who was a Sanskrit scholar. He attended the Perse School at Cambridge, achieving honors in his studies. But his political activities led to a brief imprisonment in 1916 and he was expelled from Oxford in 1917 for Marxist propaganda.

Mr. Dutt twice ran unsuccessfully for Parliament on the Communist ticket, in Birmingham in 1945 and in East London in 1950.

His numerous books included "The Life and Teachings of V. I. Lenin," published in 1924; "World Politics," 1936; "The Problem of India," 1944, and "The Crisis of Britain and the British Empire," 1953.

Richard Long

LOS ANGELES, Dec. 22 (AP)—Television actor Richard Long, 47, a regular in "Maverick" and "77 Sunset Strip" and the professor in "Nanny and the Professor," died yesterday.

Mr. Long had been hospitalized for the last month for a heart condition. A spokesman for Tarnara Hospital said.

His first prominent television role was Gentleman Jack Darby, the suave gambler in the "Maverick" series. He was detective Rex Randolph in "Bourbon Street Beat" and continued the role in "77 Sunset Strip."

Dragoslav Protitch

UNITED NATIONS, N.Y., Dec. 22 (UPI)—Dragoslav Protitch, 72, a UN under secretary for 15 years until his retirement in 1969, died yesterday.

After 22 years in the Yugoslav diplomatic service, Mr. Protitch joined the provisional secretariat of the UN in London in September, 1945. When the secretariat was organized on a permanent basis the following year, he became a member of the Department of Political and Security Affairs. In 1954, he was appointed under secretary for political and security affairs.

\$3-Million Plot Is Foiled in U.S.

SANTA BARBARA, Calif., Dec. 22 (AP)—A 74-year-old man who allegedly threatened to set off seven bombs at Disneyland in Anaheim, Calif., and Disney World in Orlando, Fla., was arrested yesterday when he tried to claim \$3 million as an extortion payoff, authorities said.

A note left in a bus depot locker here had presented the extortion demand with a threat to explode bombs during a 15-day period if the money was not paid.

Craig Douglas Hassler, a transient who had been living at a Santa Barbara motel, was held without bail for investigation after arraignment on federal charges of using interstate commerce for extortion. Police said he was arrested after picking up, in a railroad yard, a box that he thought had been sent to him by the FBI. They said they had no evidence that he actually possessed explosives.

Whitlam Cites Wilson's Support

LONDON, Dec. 22 (UPI)—Australian Prime Minister Gough Whitlam said Friday that British Prime Minister Harold Wilson assured him that he supports the Australian's appeal to the United States and the Soviet Union to avoid any confrontation "in the Indian Ocean."

"We discussed fairly briefly Britain's interest in the Indian Ocean and Southeast Asia," Mr. Whitlam said at a news conference. "Mr. Wilson assured me the British government very much supports the attitude of the Australian government in calling on the superpowers to avoid any confrontation in the Indian Ocean. He reiterated this in very cordial terms."

Russia Orbits Satellite

MOSCOW, Dec. 22 (Reuters)—The Soviet Union today launched communications satellite Molniya-2 to aid its long-distance phone, television and radio systems, Tass reported.

Group of Nonconformist Artists Has Approved Show in Leningrad

MOSCOW, Dec. 22 (UPI)—A group of nonconformist artists staged an exhibition of their paintings in Leningrad today with official permission, western newsmen said.

There were no incidents. Reports from Leningrad said several hundred persons had lined up for admission at the House of Culture an hour before the exhibition opened.

Policemen looked on but did not interfere with the show. In Moscow on Sept. 15, Communist party volunteers broke up an unauthorized, outdoor nonconformist art show with bulldozers and fire hoses. The show was held peacefully with official permission two weeks later.

More than 20 painters put works on show in today's Leningrad exhibition. Many of the works displayed were clearly influenced by modern Western trends.

Newsmen who compared it with the Moscow show said this one was better.

Authorities gave their permission for today's exhibition provided no "anti-Soviet" or "pornographic" works were displayed. It was reported that three paintings were banned as "too religious."



DESPAIR—Mrs. Yuk Mal Lan, the mother of Mun Se Kwang, the assassin of the wife of South Korea's President, breaks into tears after he was executed.

Boston Anti-Busing Plot Said To Call for Blasting Bridges

By Ronald J. Ostrow

WASHINGTON, Dec. 22 (UPI)—Federal authorities have been investigating for several weeks an alleged plot to blow up three South Boston bridges in an anti-busing protest.

The bridges were kept under surveillance for a number of days, and 8 of 14 suspects were questioned intensively—steps that apparently squelched the conspiracy, if one existed, according to sources here and in Boston.

Federal investigators are not certain that the conspiracy ever existed. But the priority treat-

Kissinger Notes Hope of Progress In Middle East

UNITED NATIONS, N.Y., Dec. 22 (AP)—Secretary of State Henry Kissinger said yesterday he was still hopeful that progress toward peace can be made in the Middle East "and we believe it will be made."

He said he made would another trip to the Middle East whenever the Arab and Israeli positions were "sufficiently close to bring it about," but he ruled out any "immediate" visit and said there had been "no dramatic new development."

Mr. Kissinger spoke after meeting separately with United Nations Secretary-General Kurt Waldheim and Algerian Foreign Minister Abdelaziz Bouteflika.

"We are trying to bring about further progress in the negotiations and, therefore, we welcome any conciliatory statement that is made by either side that would help move them forward," Mr. Kissinger said.

"We are still hopeful that progress can be made and we believe it will be made."

Canada Unveils Rules on Reactors

OTTAWA, Dec. 22 (AP)—Canada announced Friday a nuclear-safeguards policy that paves the way for a resumption of the export of Canadian-designed reactors.

Discussion on the policy began in May after India exploded a nuclear device using technology and materials from a research reactor built with Canadian and U.S. aid. Canada had said it might ban the export of reactors but that option was rejected.

Energy Minister Donald MacDonald told the House of Commons that the safeguards policy will require all foreign buyers to promise not to use Canadian technology or material in bomb production.

17 Police Hurt In Clash in Rome

ROME, Dec. 22 (Reuters)—Three policemen were wounded by bullets, two of them seriously, in a battle with leftists who were trying to break up a neo-fascist rally in Rome today, police said.

Fourteen other policemen were injured by firebombs, sticks and stones.

A senior police official described the battle, involving about 400 leftists and dozens of policemen, as one of the worst in Rome between police and demonstrators.

Peking-Prague Accord

TOKYO, Dec. 22 (AP)—An agreement on trade and payments for 1975 was signed yesterday by China and Czechoslovakia, the Chinese news agency said. No details were given.

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Critics Cite Weak Response, Castigate Clemency Effort

By Anthony Ripley

WASHINGTON, Dec. 22 (UPI)—President Ford said it was an "act of mercy" when he offered a clemency plan Sept. 16 to draft evaders and deserters.

Last week, Sen. Edward Kennedy, D-Mass., held two days of hearings and reported that the quality of that mercy was strained.

Even judging the program within the limitations imposed by President Ford, Sen. Kennedy said, "I find it difficult" to understand why so many eligible individuals have not been notified, why so many discrepancies exist in the treatment of participants in the clemency program, why the benefits for some are so limited and why a program conceived in a spirit of compassion and reconciliation may impose greater penalties on an individual than the normal military or judicial process.

Witnesses testified that only 13 per cent of those eligible had applied for clemency with the deadline for applications only six weeks away.

3 Separate Processes
The President's program has three separate parts: the Defense Department handles unsettled desertion cases, the Justice Department takes unsettled civil draft evasion cases and the new presidential Clemency Board handles civilians and servicemen who have been convicted and punished.

The hearings were held before the Senate Subcommittee on Administrative Practices and Procedures.

The Defense Department's program has been the most successful, and last week it drew the harshest criticism. An estimate 2,000 of a possible 12,500 deserters, or 16 per cent, have been processed.

Martin Hoffman, general counsel for the Defense Department, admitted to the subcommittee that the military used narrower standards than the Justice Department or presidential Clemency Board in deciding how long a man must serve in alternative service to win a clemency discharge.

The military, he said, considers only previous conduct, medical, combat duty, wounds and the type of work done by the man after he deserted the service.

"Super Soldier"
Henry Schwartzschild, director of the project on amnesty of the American Civil Liberties Union, said such an approach was "punitive" and not rewarded the "super soldier."

The Justice Department takes the project on amnesty of the American Civil Liberties Union, said such an approach was "punitive" and not rewarded the "super soldier."

The continuing instability here has hampered efforts to begin peace negotiations on Cyprus, where Turkish troops still control almost 40 per cent of the territory. As a Western diplomat put it, "Turkey picked a bad time to have her government unravel."

"National Issue"
The caretaker government, led by Sadi Irmak, a 70-year-old senator, now seems ready to begin preliminary talks on Cyprus. Turkish leaders insist that Cyprus is a "National Issue," and that they all agree on a common policy.

Diplomatic analysts note, however, that Mr. Irmak would have far less power and flexibility than an elected leader, and they wonder whether he will be able to make the compromises necessary to reach a settlement with the Greeks.

The government crisis has crippled Turkey's ability to deal decisively with such economic problems as inflation and food shortages.

Ship Sinks Off China; 21 Reported Missing
HONG KONG, Dec. 22 (Reuters)—A Panamanian freighter has sunk in heavy seas 400 miles southeast of Hong Kong and its captain and 20 crew members were reported missing today.

Reports said 18 other crewmen of the 6,043-ton Benfina had been picked up by a passing ship which is heading for Manila. The Benfina was carrying a salt cargo from Australia to Taiwan.

Cypriot Leaders In 70-Minute Talk
NICOSIA, Dec. 22 (UPI)—The leaders of the Greek-Cypriot and Turkish-Cypriot communities, Glafkos Clerides and Rauf Denktaş, met for the second time in as many days Friday and said they had agreed on all but one procedural point on how to start talks to solve the island's problems.

The meeting, at Mr. Denktaş's official residence in the city's Turkish sector, lasted 70 minutes and was attended by Louis Wekmann-Munoz, special UN representative in Cyprus.

A joint communiqué issued after the meeting said the two leaders continued their discussions on the groundwork for future talks about solving the nation's problems.

Bomb Blasts in Mexico
MEXICO CITY, Dec. 22 (AP)—Three bombs exploded early yesterday in bank offices and a government building, injuring several persons, authorities said.

One of the bombs exploded in the Treasury building. The two others went off at suburban banks.

SARAH FLORA ELIAS DECEASED
Any person having a claim against or an interest in the estate of Sarah Flora Elias late of 35 Rue des Charmilles, Geneva, and formerly of Hotel Claridge, Avenue des Champs-Élysées, Paris, who died on 18th August, 1974, is required to send particulars to Williams & Glynn's Trust Company Limited of 45 Molesley Street, Manchester 2, England, the executor named in the Will of the said deceased or to the under-mentioned Solicitors on or before 28th February, 1975, after which date the estate will be distributed having regard only to claims and interests of which they have had notice.

Dated 12th December 1974.
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England.



WEAPONS OF WAR—South Vietnamese troops patrol in an ox-drawn cart near a provincial town. A fuel shortage was blamed for the switch from tanks.

Viet Cong Rejects U.S. Claim On Search for Missing GIs

PARIS, Dec. 22 (AP)—The Viet Cong said today that it "categorically rejects" an American accusation that Communist forces

in Vietnam are blocking the search for U.S. servicemen missing in action.

A statement by the Viet Cong delegation at the suspended political talks with the Saigon government said the search was blocked because of the "frenzied sabotage" of the Paris peace agreement by Saigon and the United States.

In accusing the Communists of delays, the United States said in a statement Friday:

"You stand convicted in the court of world opinion of blatant and shameful disregard for the basic principles of humanity. You can begin to remove this stain on your honor and integrity by a simple act—the release forthwith of information on those persons on whom information folders have been passed."

Vietnam Fighting Declines
SAIGON, Dec. 22 (UPI)—Fighting in Indochina fell to the lowest level in more than two weeks today, the Saigon command said.

The command said there had been 133 Communist cease-fire violations during the 24-hour period ending at dawn. It was the lowest figure since Dec. 6, when 81 violations were reported.

The number of reported true violations had averaged well over 300 daily during the two weeks following Dec. 6.

Venezuela Seeks Renewal of Ties To Cuba Regime
CARACAS, Dec. 22 (WP)—Venezuela announced Friday that it has set in motion the diplomatic machinery leading to renewal of full diplomatic relations with Cuba. They were broken off 13 years ago.

The announcement was made by Foreign Minister Efraim Schacht, who said that President Carlos Andres Perez had given instructions Friday to the chief of Venezuela's delegation to the UN to start formally the renewal process through the Cuban delegation. The Venezuelan minister said that relations would be renewed "in the shortest possible time."

Mr. Schacht cited changes in international circumstances as the principal reason for Venezuela's decision to unilaterally change its Cuban policy.

Relations were severed in 1961 by former President Romulo Betancourt on the grounds that the Communist government of Fidel Castro was openly supporting leftist guerrilla efforts to topple Venezuela's newly established democratic regime.

Improve His Position
The alliance never worked well and, after his triumph in Cyprus, Mr. Ecevit saw a chance to improve his position and resigned. But the other parties, fearful that he would achieve a sizable victory, refused to vote for early elections and the current crisis followed.

Mr. Ecevit stayed on as a caretaker premier. Secretary of State Henry Kissinger scheduled a visit here last month and Mr. Ecevit was preparing to make several conciliatory gestures in order to get Cyprus talks started. But, at the last minute, the National Salvation Front, a shaky coalition with the National Salvation party, a rightist group of Moslem fundamentalists.

Following the events of 1971, Turkey was ruled for two years by an army-backed, nonpolitical government. Then, in a remarkable display of confidence, the military permitted parliamentary elections last year.

Turkey uses a system of proportional representation and, with eight parties competing for votes, no one emerged with a clear mandate. Confusion reigned for three months. Then Mr. Ecevit, the leader of the Republican People's party, which is social democratic, formed a shaky coalition with the National Salvation party, a rightist group of Moslem fundamentalists.

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Following the events of 1971, Turkey was ruled for two years by an army-backed, nonpolitical government. Then, in a remarkable display of confidence, the military permitted parliamentary elections last year.

Turkey uses a system of proportional representation and, with eight parties competing for votes, no one emerged with a clear mandate. Confusion reigned for three months. Then Mr. Ecevit, the leader of the Republican People's party, which is social democratic, formed a shaky coalition with the National Salvation party, a rightist group of Moslem fundamentalists.





IN THE COUNTRYSIDE—A wrecked government personnel carrier sits in a field south of Phnom Penh near a patch of lettuce being watered by a Cambodian refugee.

Soviet Anti-Alcoholism Drive Is Aimed at Growing Problem

By Peter Onos

MOSCOW (WP)—What strikes an outsider first about the Soviet Union's drinking problem is how serious it must be for the authorities to talk about it so much. Few other social disorders—crime, delinquency, drug abuse, sexual deviance, poverty, racial enmity and corruption, among others—are considered troublesome enough here on their own to merit such intense discussion.

On social issues, the Russians prefer to minimize their difficulties and certainly choose not to dwell on their Alcoholism, however, is different. Hardly a day goes by without a major article in the Soviet press examining an aspect of the consequences of drinking. The tone tends to be moralizing:

"Vladimir Bashinsky," the party newspaper Pravda reported recently, "worked at a regional committee cooperative and his wife worked at a rural medical station. They lived well and had three children. Vladimir started coming home tipsy. To his wife's remarks, he would answer, 'I helped people and they treated me to some vodka.' Soon he got used to vodka... and drinking was followed by quarrels and fighting."

"Once when he was very drunk, Bashinsky hit his wife with an ax. Listening to the case in the law court, we found that many inhabitants of the village had known that Bashinsky drank heavily and insulted his wife and children. But no one denounced him... They did not fulfill the resolution of the Central Committee of the Communist party about the struggle against heavy drinking and alcoholism."

Crime, Accidents

In fact, alcoholism is largely blamed for Soviet social ills. More than 80 per cent of the crime in the northern city of Murmansk is related to drink, according to a deputy mayor here. A magazine, *Nash Vremya* (Our Time and Life), said last spring that 63 per cent of all serious industrial, traffic and household accidents can be traced to alcohol. A book intended mainly for soldiers asserted that 90 per cent of syphilis sufferers contracted the disease when drunk. And a Moscow University professor reported that nearly half the country's divorces could be linked to alcohol.

This question of worker productivity on the farms and in the factories is becoming increasingly important as the Soviet Union shifts the thrust of the country's economic growth from capital investments to improvements in efficiency. A Soviet study a few years ago showed that violations of labor discipline were caused by alcohol in two out of three cases. A more recent report said that of 410 workers in a Moscow factory, 281 were classified on one morning as too drunk or too hung over to work properly.

Getting Worse

Understandably, the most disconcerting aspect of the alcohol problem for the Soviet authorities is that it is getting worse—or at least that is the burden of dozens of newspaper commentaries. "Stop any man on the street," the newspaper *Sovetskaya Rossiya* said a few months ago, "and ask him what he considers the most disastrous evil. Almost every person will answer the same: Alcoholism."

Between 1965 and last year, the sale of alcoholic beverages in the Soviet Union increased by 251 per cent, according to the Soviet Central Statistical Administration. These figures, printed in the official newspaper of the Writers' Union, also show that the pace of growth is quickening. In the five years from 1969 to 1973, alcohol consumption jumped 83 per cent. In the three years from 1970 to 1973, the consumption went up 95 per cent.

In particular, it is said that more and more young persons are drinking heavily and that women, who in the past had been more

restrained than men, are turning up in greater numbers at police-run "drying-out stations."

Alcoholism is, of course, not just a Soviet problem. In the United States, the Department of Health, Welfare and Education estimated last summer that there are 10 million problem drinkers in the United States—a similar Soviet estimate is not available. And, technically, Frenchmen and Italians drink more alcohol per capita than Russians, the Russians say. But they also acknowledge that Europeans favor wine and beer while the Russians drink cognac and, above all, straight vodka.

The question of why Russians drink so much, despite official objections, has many answers, most of them predictable. As St.

sanatoriums and vacation hotels, railroad stations, airports and river stations, cultural activities and shows."

In addition, the price of vodka has been raised—one of the few instances in which the Russians have explicitly boosted the cost of a basic commodity. The old brands—Stolichnaya and Moskovskaya—priced at 2.87 rubles (about \$4.00 at the official rate) and \$5.18, were withdrawn and a new make was introduced at \$5.06 and \$5.76. It is called Ekstra. Factories have been ordered to increase production of wines and beers and phase out the strongest vodkas—110 and 112 proof. A Novosibirsk plant came up with a 28-proof vodka that, given the right amount of drinking, is apparently every bit as intoxicating.

"It is Russia's joy to drink: we cannot do without it."

—St. Vladimir, 965-1015

"The enemy of our life is alcoholism."

—Sovetskaya Kultura, Sept. 24, 1974

Vladimir is said to have observed 1,000 years ago, drinking is a joy. Vodka, which was introduced here only in the 18th century, has become as much a part of the local scene as brown bread, birch trees and freezing winters. Russians, from Moscow intellectuals to North Sea fishermen, say they cannot imagine spending a friendly evening without free-flowing spirits and effusive toasts.

Inevitably, such widespread social drinking leads to alcoholism among a certain number of persons who become, in medical terms, addicts. They are either psychologically or physically unable to drink in moderation.

Availability Factor

Availability of alcohol is certainly a factor of some importance in regulating the amount of drinking.

Over the years, various measures have been enacted to curtail liquor sales. In 1965, encouraging minors to drink was made a crime. Later, sales of vodka by the glass were banned at stadiums and street-corner kiosks. That led to the bottle-storing system. In 1972, times for vodka sales were shortened by an hour. Also, sales of all alcohol over 30 proof—most vodka is 80 proof—was banned "at trade establishments situated in regions of industrial development and construction sites, educational establishments, children's institutions, hospitals,

Medical Care

As for medical care, the main advantage of seeing a doctor privately seems to be that no records are kept and retaliation by the authorities is unlikely. Such therapy is technically permissible only if the doctor is specially licensed, but the regulations are said to be frequently sidestepped.

From time to time, the leadership announces a "crackdown" and passes resolutions calling for struggle: the good of the country is invariably invoked. Russians say these campaigns are so repetitive and predictable that no one pays attention to them anymore.

The Russians have been successful, however, in turning public drunkenness into highly respectable behavior. In a downtown Moscow movie theater recently, spectators who bodily and somewhat roughly removed a man who had been drinking were applauded by the rest of the audience.

Algeria Counting Heavily on Oil to Finance Industrialization

By Henry Ginger

ALGERIA (NYT)—Ships and goods jam the port of this North African capital. Cars and trucks jam the streets and visiting businessmen and diplomats fill the hotels.

The bustle is that of a country trying to develop. Although Western nations complain of the high prices they must pay for Algerian and other Arab oil, such revenues mean the difference between poverty and the promise of a decent life for a population that is now at 15 million and growing at one of the fastest rates in the world.

Algeria has recently celebrated the 20th anniversary of the revolution that began in 1954 against French rule. Twelve years after independence, Algeria is embarking on three other revolutions designed to make it an industrial nation with a strong agricultural base and a sense of Arab cultural identity, which more than a century of forced integration with France almost destroyed.

The industrial, agricultural and cultural revolutions help to create a mood of purposefulness and pride. But there is also grumbling over inefficiency and austerity and some resistance by

conservative elements to socialist change. Mainly through oil income, the country was able to invest \$8.3 billion in a four-year plan that ended last year. Because of the rise in oil prices, of which Algeria has been one of the most active promoters, Algeria plans to triple this investment in the second plan, which went into effect this year.

Housing Strained

Even with this accelerated pace, it is not certain that the country's population will be better off in 1977 than it is now in terms of work opportunities. The population is increasing at an estimated rate of 3.4 per cent a year. According to some economic experts, it is an open question whether Algeria will be able to keep pace with those coming into the job market, let alone clear up the backlog of unemployed. Severe strains on housing, school and health facilities are evident everywhere.

Algeria's government, led by President Houari Boumedienne, is conservative about birth control. There is a tendency to equate population size with national importance and to emphasize the development of indus-

trial and food production as the solution to the population problem. Nonetheless, in an unpublished program, birth control is available in pediatric clinics, but only to mothers who have four children.

Since January, the price for a barrel of Algerian oil has actually dropped from \$14 to \$12.50, while at the same time the capital goods and food Algeria is importing have become increasingly costly. The country's planners may have to reduce their ambitions because of this situation, but not before the government has pressed not only to maintain oil prices at a high level but also to index them to keep pace with world inflation. Algeria is trying to organize a meeting of oil producers to push these objectives.

Statesman's Role

The prestige and popularity of Mr. Boumedienne and his associates depend on the success of the development plans. Algeria's international position is at stake, too, for the nation has assumed a position of leadership in the defense of the underdeveloped world's interests. The President, a shy army colonel when he seized power in a coup

in 1965, has taken on stature as a world statesman. He indicates that he is highly conscious of his new role.

Most of the discussion these days centers on the agrarian revolution by which the rural population, 60 per cent of the total and largely illiterate, is being helped to increase food production and improve its living standards. Cooperatives are being pushed and many peasants have resisted collectivization. Private land has been nationalized in many instances and this, too, has created resentment.

But the main thrust, in terms of money, is in industry. Algeria hopes to become Africa's foremost industrial power. More than 45 per cent of projected investment is in industry and the country is going heavily into foreign markets, mainly in Europe and the United States, for technical help and capital goods to achieve the planning goals.

The recent restoration of full diplomatic relations with the United States is expected to encourage further exchanges. The foreign contracts that Algeria will let out in increasing numbers means that much of the oil revenue will return to the consuming nations from which it came.

A Reporter's Notebook

Cambodia War Madness: Up Is Sometimes Down

By Sydney H. Schanberg

PHNOM PENH (NYT)—Events in Cambodia have become mad as the image of the madness of this war—as when, at an evening reception, the armed forces commander, Lt. Gen. Sosthene Fernandez, was asked by an acquaintance what he planned to do if the U.S. Congress went ahead with its plans to cut aid to Cambodia sharply. The general smiled amiably, stood to the other end of the room, threw his arms into the air in the posture of surrender and declared in French: "I'll do this."

Was he at all serious? No one at the reception really thought so. But then, a large cut in aid could really bring about the collapse of this corrupt and ineffective government. Beyond that, the war against the Communist-led Cambodian insurgents, now nearly five years old, has warped human behavior here out of any normal, predictable patterns. Up is sometimes down. The enemy is sometimes one's old schoolmate or, often enough, an uncle or cousin. Perhaps Gen. Fernandez was merely disguising the truth with buffoonery.

Indeed, black humor is one way of living with the grotesque consequences of conditions here with the government printing money as fast as it can to keep up with a 300-per-cent-a-year inflation rate reminiscent of Kuomintang China, and with Cambodia's population of 7 million being mangled at a daily rate of at least 300 killed and wounded.

The insurgents hold the countryside and have cut most of the roads. The government holds the fairly isolated cities and towns, including this capital city, now bursting with refugees. Both sides are Cambodia, but their ability to go on destroying their country and each other is controlled by the outside powers that provide their weapons while failing to provide peace talks. To participate in such a situation is to be slightly insane.

What follows is a compilation of some such things—odd and abhorrent and sad—that happened during a three-week visit.

An American economic consultant on contract to the U.S. Embassy was having a predinner drink with his wife and some acquaintances beside the pool at the charmingly seedy Hotel Le Phnom. One of the acquaintances, a reporter, who had taken a trip up a battle-scarred road that day, commented that the Cambodians were tired and worn out with the war. The consultant, vigorously disagreed.

"They're not tired," he said. "They're not tired at all. That's nonsense. All they need is some good leadership. A hundred Russell commando officers could turn this thing around, or any hundred good officers."

"Oh, come on, John," interjected his wife, who had been silent until then. "You know you're just as discouraged as everyone else. You're just saying that because he's a Jewman."

He said nothing, she rose, and they went to dinner.

There are beggars everywhere in Phnom Penh. A blind old man sits on the sidewalk every day outside La Taverne, a restaurant opposite the post office, playing a Cambodian-style zither. As the dominant clientele has changed with the progress of the war from the old colonial French to the new Americans, so have the blind beggars' songs. These days he makes a fairly good living playing "In the Mood" and "Alexander's Ragtime Band."

Downtown Phnom Penh is a

montage of unhappiness. So Leang, a 33-year-old teacher, cannot feed his family on his salary, equivalent to \$9 a month, so he pedals a bicycle ricksha in his free hours, earning 30 cents on a good day.

Twenty yards away, at a sidewalk food stall, ragged, begrimmed refugee children hunker near the tables, snatching at the chicken bones cast off by the customers, and sucking and chewing on them until nothing is left.

On the other side of the street, three soldiers—two of them missing a leg and the other apparently unharmed—stand in shop doorways, silent, waiting, their faces contorted in the professional beggar's half-smiling grimace. Sometimes the shopkeepers give them 10 rials—about 0.8 of a cent.

Down the block, at the Mekong River port, workmen are unloading bags of rice and corn from barges. They are paid next to nothing, so they try to hide some of the grain droppings in special pockets and sacks they have sewn on the inside of their sarong clothes. As they leave work through a narrow opening in the steel gate, the military policemen whap at the workers' pregnant bulges with their hands and nightsticks, until the corn and rice spills on the ground.

An American Embassy official, during an interview, brought up the old controversy over whether the approximately 100 American military men at the embassy ever break the congressional ban against acting as military advisers to the U.S. Cambodians. The official said the embassy was being extremely careful not to give military advice.

Then his telephone rang. He spoke in urgent tones for a few minutes and came back to explain that the insurgents had just badly shot up a river supply convoy and that two barges carrying 1,000 tons of rice were floating free and about to fall into insurgent hands. The Cambodian high command wanted to know what to do, he said.

"They asked our advice," he went on without thinking. "Then he thought—and broke into an embarrassed grin."

As it turned out, the Cambodians, who asked permission to sink the barges by bombing them to keep the insurgents from getting the rice, were "advised" not to do that because the barges themselves were costly and worth saving. In the end, unable to sink the barges, the rice went to the insurgents and the operation was a total loss.

Some people here have made a lot of money on the war, for nothing is corruption-proof any more in Cambodia. For example, there is something called the Exchange Support Fund, a \$5-million-a-year fund consisting largely of American dollars for the use of the Cambodian government to help pay for crucial foreign goods needed for the war effort. Luxury items are expressly forbidden.

About three months ago, the government gave a local merchant \$20,000 from the fund to import foreign beer, and more recently it released \$175,000 for the import of cigarette lighters.

With morale low, draft evasion has become more the rule than the exception. Young men pay bribes for all kinds of exemption papers. One of the more bizarre exemptions is known as the "lop-lop" certificate. "Lop-lop," in translation, is equivalent to "crazy." One Cambodian was asked what his lop-lop certificate said. "It says I'm out of my mind."

and I don't have to serve," he replied. He got the certificate fairly cheaply—only 50,000 rials, or about \$31.

The Pentagon is still specializing in double-talk about Cambodia. When a Wisconsin member of Congress charged last month that American pilots flying supplies to Cambodia were receiving combat pay, even though the administration contends that no American troops are engaged in combat here, the Pentagon replied that the term "combat pay" was incorrect—it was "hostile-fire pay."

At about the same time, a newspaper report said that American military analysts in Thailand were making bombing recommendations to the Cambodians on the basis of American reconnaissance flights over insurgent territory.

The Pentagon acted to clear up the confusion immediately. That was the wrong move, it said, for this would be a violation of the congressional ban on advisory and combat activities. What is actually happening, the Pentagon explained, is that "items of intelligence interest" are "identified" and "passed on" to the Cambodians, but "the judgement of what should be done" is left entirely to them.

Tor Keu is one of the thousands of child soldiers in the Cambodian Army. They join for many reasons, but mostly because it is a way to make a little money to live and eat on.

Tor Keu says he is 18 because that is the legal age for enlistment, but he is a frightened 12 at most. He has been in the army for a month.

It is dusk and he is walking along Highway 5 northwest of Phnom Penh, on his way to meet his soldier father—his mother is dead—at an outpost a few miles ahead.

Tor Keu is carrying a carbine of World War II vintage and his uniform is double his size; his shirt-front is held together by a safety pin and his trousers are so tightly bunched and clogged with dirt that they drag on the ground until he trips. Asked what he has had to eat during the day, he stares wanly at the ground and mumbles: "Nothing. Only a little fish paste."

On Nov. 28, Thanksgiving Day in America, a large group of Cambodian officials—mostly generals—gathered nervously at the U.S. Embassy in Phnom Penh to await the outcome of the UN vote on the Cambodian issue. It could have brought a collapse of this government had the UN vote for Cambodia been awarded to the insurgents, whose nominal leader is Prince Norodom Sihanouk.

When news of the narrow two-vote victory came, jubilation erupted. The generals, led by Gen. Fernandez, their commander, began singing around the room, singing an old French children's ditty, "Tout Va Très Bien"—"Everything's All Right."

The generals, however, were singing only the title line and had apparently forgotten, or had never known, the rest of the song, in which things are anything but all right.

As the song goes on, stanzas after stanzas, the butler explains to a marquis, who is telephoning from her Paris town house to find how things are going on her country estate, "Everything is all right, Madame la Marquise," except that the kitchen is on fire, the barn has burned down, her husband, the marquis, has died and, finally, "Your favorite horse has died as well."

Cambodians are proud and independent people, and though the war has forced many of them to accept charity and even to beg, the shame lies deep.

In a village on the western edge of Phnom Penh, a family of five was slowly starving. Neither the husband nor the wife nor any of the children could find a job. Next door lived a widower who raised pigs and was reasonably well off. He began to notice that the food he was leaving out for the pigs was disappearing, and suddenly realized that his desperate neighbors were sneaking over at night and taking the pig food to sustain themselves.

The widower felt bad about their condition, but he did not want to embarrass them. After carefully rehearsing what he was going to say, he went over to their house one day when the husband was out and said to the wife that everyone was suffering in Cambodia these days, but that he was fortunate enough to have a little extra, so would she please accept 10,000 rials to buy some food.

The wife went in shame as she took the money. Then she went out and bought some rice and fish—but her sense of disgrace overcame her. So she bought some poison, too. That night she put the poison in the food and killed herself and all her family.



A SOLDIER—Tor Keu, who says he is 18 years old, is one of many Cambodians who have joined the government army to earn some money to buy food with.

Mongolian Capital Without Exoticism

By Christopher S. Wren

ULAN BATOR (NYT)—The most immediate impression of Ulan Bator is that, despite its long-standing name—which means Red Hero in Mongolian—and its remote setting, the Mongolian capital is not exotic.

Only a small but opulent palace, now a museum, and a nearby Buddhist monastery remain as reminders of harsher bygone years, when up to 45 per cent of the men were cloistered as lamas.

Today, Ulan Bator, which has slightly more than 300,000 inhabitants, bears mostly Soviet architectural touches. They include the statue of Lenin in front of the Ulan Bator Hotel and the huge main square, which features a Lenin-type marble mausoleum for Sukhe Bator, the Mongolian revolutionary who is hailed as the founder of Communist Mongolia.

The theater nearby could be mistaken as a miniature of the Bolshoi Theater in Moscow, although it was reportedly built by Japanese prisoners of war.

The city measures its progress in new buildings. Among the sleekest are several high-rise apartment houses that the Chinese started as part of their own aid program but left unfinished about six years ago, after relations deteriorated.

Ulan Bator seems to stand as a visible monument to Mongolia's self-image as the earliest ally of the Soviet Union and still its most loyal one. In 50 years of Communism, it has not strayed far from the Kremlin's orbit, except for a brief flirtation with Peking in the early 1950s.

The Mongolians, saddened between the Soviet Union and China, have looked northward for both the military support and economic assistance that have propelled them from virtual feudalism.

For Moscow, Mongolia represents a broad buffer against China along nearly 2,000 miles of Soviet border.

But Moscow has also spent billions of rubles to make Mongolia an Asian showcase for Soviet-style Communism. The investment could begin to pay off economically, however, through exploitation of the vast mineral resources of the largely desolate country, three times the size of Texas, but with only 1.4 million inhabitants.

Many of Ulan Bator's older residents still wear the "del," a national gown enlivened with a brightly colored sash. The costume looks too thin to withstand the Mongolian winter, when temperatures plummet to 30 degrees below zero Fahrenheit, but in fact it is lined with sheepskin.

Westernized Look

The younger generation—and 40 per cent of the Mongolians are under 26 years old, officials say—favor a more Westernized look, wrapping themselves in winter in boxy Soviet-style overcoats. Mongolian soldiers, their caps set at rakish angles, stroll the streets in uniforms that, but for slight variations in insignia, look identical to those worn by the thousands of Soviet soldiers who are stationed in Mongolia.

A visitor here finds it hard to reconcile the pleasant, even different nature of the Mongolian hosts with the fierce image of their 13th-century forebear, Genghis Khan. But the warrior whose very name once sent chills through the civilized world is today without much honor in his homeland.

No one disputes his military genius or even his contribution in forging national identity. But by current Marxist standards, Genghis Khan was also an imperialist who wasted Mongolian lives and resources in "predatory annexation," leaving Mongolia vulnerable to subsequent centuries of subjugation.

"Yes, he founded the Mongolian nation," an official said when asked about Genghis Khan. "He could have used his power to build a culture and help his people here, but he squandered the culture and people by going elsewhere."

Elsewhere, of course, included Russia, which was largely controlled by the heirs of Genghis Khan for more than two centuries and has not forgotten it. Diplomats here recall that in the 1960s plans to celebrate the 800th anniversary of his birth were quickly shelved at Moscow's suggestion.

Although the low skyline of Ulan Bator keeps taking on new buildings, nearly half the city's residents still live in "yurts," or portable felt tents. Communities of yurts, called "gers" in Mongolian, stand discreetly tucked behind wood fences on the road from the airport.

Yet government officials speak rather frankly about the widespread use of yurts in modern Mongolia—and, to a visitor, quite legitimately so. The bowl-shaped yurt seems ingenious. It is snug, warm and can be packed up and moved in 30 minutes. Last year, Mongolia's industry numbered among its accomplishments the production of 9,700 wooden yurt frames.

Some apartment dwellers, a Mongolian said, keep a yurt handy to pack off to the countryside as an instant weekend home. Some older people have balked at taking up apartment living after the cozy communal life of the yurts.

"My grandfather lives in a flat now but he doesn't like it," a modern young man said. "He prefers a yurt. He likes to step out the door and smell the air. He says that living in an apartment is like prison."

50 Swedes Protest

UNESCO's Israel Ban

STOCKHOLM, Dec. 22 (Reuters)—About 50 Swedish writers, scientists and religious leaders yesterday protested what they feared a plot to drive Israel out of the United Nations Educational, Scientific and Cultural Organization.

UNESCO decided to exclude Israel from its regional activities last month. The protesters said the move was an attempt by Israel's enemies to deny its existence and to cut it off from the rest of the world. A copy of the protest was sent to UN Secretary-General Kurt Waldheim.

JAPAN

The Economy—Big Doses of Gloom, But Strong Portents of Hopefulness

By Eliot Brooks

TOKYO (UPI)—Prognosticators of gloom about the future of the Japanese economy have had a great deal of material to work on in recent months.

Japan's exposure to external energy sources, its dependence on increasingly nationalistic foreign raw material producers, its large food deficit and its high rate of inflation all seem to suggest that the country's future is precarious.

In addition, Japan's domestic political situation appears to be a good deal less stable at the moment than it has been in recent years. Declining popular support and increasing internal quarrels threaten the hold the Liberal Democratic party has had on governments since the end of the postwar occupation.

While forecasts of a Japanese superstate appear to have been laid to rest, Japan's future as a healthy, competitive, capitalist-oriented economy is still uncertain despite the recent state of unfavorable developments. The country's powerful bureaucracy is probably unsurpassed in its ability to manage economic crises and the flexibility of the business community is an important asset.

Interrelationships

Foreign analysts of Japan's economy have tended to focus recently on two interrelated aspects of the country's current dilemma: its declining competitiveness in export markets as a result of a huge jump in domestic production costs and its ability to pay for future oil imports. Many Japanese, however, are confident of their ability to solve both problems. What tends to worry them are events over which they have little or no control.

Will a new war break out in the Middle East and if it does, will it develop in such a fashion that Japan will not be able to get as much oil as it needs whatever the price? Will the current downturn in the economies of major industrialized countries snowball into a worldwide depression, cutting demand for Japanese exports regardless of their degree of competitiveness?

To see why the Japanese have some grounds for optimism as long as the unforeseeable does not bring catastrophe, it is necessary to look at recent developments in the balance of payments. Despite a drastic increase in the price of oil and sharply higher cost for foodgrains and various other raw materials, Japan's merchandise trade balance moved back into surplus in June, only eight months after the start of the oil crisis. The current account moved into surplus in August and the overall balance of payments registered its first surplus in 19 months in September.

A further improvement was recorded in October partly because of a substantial inflow of petrodollars but mainly because the nation's trade surplus continued to swell.

The improvement in the trade account has been steady and impressive. In the first quarter of the year, the trade balance was in deficit by \$1.2 billion. The deficit shrank to \$115 million in the second quarter and the third quarter showed a surplus of \$283 million. October alone, (Continued on page 9, col. 1)



The Kintetsu Works of Nippon Steel Corp., which employs 7,100 workers, is one of Japan's most integrated steel plants.

Searching for Alternatives to Oil

By A.E. Cullison

TOKYO (UPI)—As the world's largest oil importer, Japan was severely troubled by the energy crisis and its aftermath. It still is. Although Japan may not have experienced any serious or lasting economic damage—from shortages of crude oil or the new high prices—apprehensions about the future clearly remain.

At least 75 per cent of the energy the Japanese use comes from imported crude oil. The estimate for 1985 is over 64 per cent, according to government projections.

Japan uses comparatively little coal and natural gas, mainly because deposits are small and not very economical. Therefore, it was a considerable relief when, at the end of 1973, the Arab oil states eased restrictions on crude oil shipments to Japan.

The Japanese were once again reminded that they are a "have-not" nation when energy resources are considered. Other than reducing dependence upon oil imports by exploiting suspected but as yet undiscovered offshore oil fields and following strict conservation for many years to come, the best solution for Japan is to import coal in large amounts and to generally increase the variety of energy source materials.

Such diversification probably means initiating large-scale use of nuclear power and liquefied natural gas. While this will require much time, there is no other reasonable course for Japan to follow.

Present projections indicate that Japan's total energy requirements, which were 336 million kiloliters in terms of oil in 1972, will expand to something between 777 million and 919 million kiloliters by 1985. It will be difficult to meet this need.

Yet Japan appears prepared to renovate the whole of its economic and industrial structure to face up to the problem. All alternatives to oil as energy are receiving serious consideration. Whether solar heat, geothermal energy or other alternate energy sources are adopted in addition to nuclear power, will depend largely upon advances in science and technology between now and the end of this century.

Both private industry and government are pulling together in Japan, as they apparently must if the country is not to be starved for power. For example, Japanese power companies have undertaken joint planning and execution of non-oil energy projects—and the government is providing the financial guarantees and encouragement.

Authorities of the Natural Resources and Energy Agency of Japan's Ministry of International Trade and Industry (MITI) already are deeply involved in very similar efforts. Why the seeming duplication? The rush?

The answer rests in a MITI warning that even without the present oil situation, the uncertainties and high prices, by the 1980s a critical oil shortage may develop for Japan in any event.

About 1985, in the government's view, Tokyo might easily require yearly imports of 800 million to 900 million kiloliters of crude oil. No one knows whether this will be possible, of course.

Rapid implementation of new measures to further develop nuclear energy, thermoelectric fusion, natural gas, subterranean heat and solar energy probably will depend to a considerable extent upon promotion of technological exchanges with many other countries in the next few years.

A Key Role

Playing a key role in some of these projects are energy specialists in Japan's Industrial Science and Technology Agency. They already have established a series of "Sunshine Projects" which will require expenditures of \$56 million or so in fiscal 1975 and a total of approximately \$7 billion over the life of the entire program.

These and other similar projects are being used to develop as many new energy sources as possible by the turn of the century. At least a score of other government and private industrial organizations have established agencies and special committees to determine the best ways the nation can speed up these developments.

Industrial Science and Technology Agency officials even now are involved in studying and developing a new time schedule for obtaining roughly 60 million kilowatts of atomic power by 1985. Japan now has only seven nuclear

power plants on the line, generating about 3.1 million kilowatts—just above 3 per cent of the nation's power consumption.

But those most interested in this situation, Japan's leading industrialists, contend that the government should raise its sights and try for considerably more than 60 million kilowatts of nuclear-generated electricity by the middle of the next decade. It would seem that chances are improving for just such a development.

Beyond doubt, the role of nuclear energy in Japan will expand increasingly in the next 10 years. Technicians in the Resources and Energy Agency, for example, estimate that by the end of the next decade, Japanese atomic power stations will be supplying 30 per cent of the total industrial energy available in the country.

By 1976, however, provided the government of Japan can overcome stiffening objections of local residents, it has been estimated that nuclear power plants in Japan will be supplying only about 8 per cent of total industrial energy in use.

At the moment, Japan has two nuclear power stations operating experimentally and another 13 plants actually under construction. These stations—or at least most of them—are scheduled to begin operation by 1977 or 1978. Another plant may come on line during the same period if all goes well.

Safety and functional checks stemming from small problems which often develop tend to delay scheduled completion of nuclear power stations. Nevertheless, current planning calls for the Japanese to have 30 atomic plants in full operation by 1980, providing a total nuclear generating capacity at that time above 301 million kilowatts.

A spokesman for the Comprehensive Energy Council, an advisory organization of MITI, reveals that the government may expand its target for 1985, increasing the nation's dependence on nuclear power to 25 per cent of total electricity requirements by that time. This can be done, he explained, by using more advanced atomic stations.

The Japanese also are planning even more modern developments by the end of this century. Members of the Nuclear Fusion Technical Subcommittee of the Atomic Energy Commission hope to have an electric power station using deuterium obtained from sea water as the material for nuclear fusion by the year 2000.

Additionally, Japan's scientists are concentrating on a scheme to use solar energy to split water molecules to produce hydrogen. (Continued on page 10, col. 5)

A Rush by Japanese Companies For Overseas Investments

By Charles Smith

TOKYO (UPI)—Although Japan is one of the world's economic giants it has only recently been a overseas investor. The ubiquitous presence of Japanese cars, panes TV sets and Japanese ref in many parts of the world contrasts with a relative absence of Japanese factories making use products in foreign countries. The first Japanese investment in the U.S. (by YKK slip stamper) was established less than five years ago, and today Japan boasts only five Japanese factories abroad.

On a worldwide basis Japan is 1/18th (by value) as much overseas investments as was led by the United States at the end of 1972 and one-quarter much as was owned by Britain. But the dearth of Japanese overseas investments, like so many things about Japan, is nothing that is changing—or has been changing—very fast.

Last year Japanese companies sent into direct overseas investments a sum equivalent to nearly 3/4 of the value of their foreign investment up to a beginning of 1973. Total Japanese foreign investment (including long-term loans and portfolio investment) was worth just over \$12 billion at the end of that year. According to two private surveys it may be up between \$38 billion and \$4 billion by the end of the decade.

There are three main reasons for the rush to invest abroad. It is that Japanese goods, not only in the U.S. and in Europe, but also in markets nearer home such as Southeast Asia, are liable to come up against import barriers. In countries like Thailand, Indonesia or Taiwan there is a strong impetus to manufacture locally so as to be inside and not outside the barriers. Much of Japan's investment in Southeast Asia goes to this category of mainly light industrial investment. Most of it is in partnership with local firms, often the result of the Japanese company's first place.

have been rising at an ever increasing rate (by 20 per cent in 1973 and no less than 32 per cent in the across-the-board wage settlement reached last spring). Labor is far, far cheaper in places like Indonesia, Taiwan or Korea. Japanese electronics assemblers have taken advantage of this fact (as have U.S. electrical manufacturers) by moving to Southeast Asia en masse.

Space Lack

The sheer lack of space for new factories in Japan's limited industrial areas (only 16 per cent of the land area is flat or relatively flat) has also helped to drive investors abroad, as has the increasing cost of handling the pollution problem in Japan. Japanese industry estimates that about 10 per cent of its total domestic investment is now accounted for by anti-pollution expenditure. It can save on this by siting some of the most polluting industries—in out-of-the-way parts of the world, where local governments may still be glad to have them.

A very typical example of this type of investment is the plan by Kawasaki Steel Corp. (Japan's third-largest steel maker) to establish a steel plant in Mindanao, southern Philippines. The steelmaking process is to blame for

more than half the pollution in steel making, so Kawasaki will be only too glad to have its new plant safely out of the way in Southeast Asia. On the other hand, the Philippines is also grateful to have secured a major industrial development for one of its least developed and populated regions.

The third major force behind Japanese investment abroad is the raw-materials problem. Japan is more dependent than any other major country on imported materials not only oil, but iron ore, coking coal, nonferrous metals and even food. It has tended to rely in the past on long-term contracts to secure supplies of the products it needs, but the feeling now is that contracts alone are not enough. Japan began to invest large amounts of capital in overseas mining projects (usually, however, as a minority partner with Western mining companies) in the late sixties and early seventies. It has now moved a step further and started to help its overseas suppliers of raw materials develop their own raw-material processing industries.

A good example of this approach is provided by the two projects for integrated steel manufacture in Brazil in which Nippon Steel and Kawasaki Steel (Continued on page 10, col. 1)

Recession Might Force Changes for the Traditional Job-Holder

By K. Yoshida

TOKYO (UPI)—In Japan, a company rarely fires its employees. Employer and employee are usually bound by more than simply a contractual relationship; much as in a traditional family they are locked in a permanent and complex relationship of mutual obligation. Companies assume responsibility for their workers' welfare in return for their undying loyalty. Thus, the workers are paid a wide variety of allowances and "fringe benefits"—frequently including low-rent company housing, special-rate housing loans, free wedding services and allowances based on family size. Workers, in turn, pledge allegiance to their companies, take only brief holidays rather than extended vacations, and generally put their work above private matters. Both employer and employee will assume that the company will not dismiss or lay off the employee nor will he switch employers during his career.

This paternalistic life-time employment system, bedded deeply in traditional Japanese values and social patterns, is not likely to change radically despite the looming depression.

When the chips are down, both employer and employee are expected to suffer equally. Most Japanese employers still share the view expressed sometime ago by Sano Ichimaru, chairman of the Industrial Union, an old company, "If they (his employees) must become beggars, then I too will share their fate and become a beggar."

Indeed, even during the present recession, only a handful of hard-pressed companies are actually discharging full-time employees. Financial burdens upon the employer are obviously heavy in times of depression, but many have managed to survive sharply declining profits by slashing operational expenses, cutting down the number of part-time and seasonal workers, abolishing overtime and reducing working hours,

temporarily laying off workers at full or somewhat reduced wages, or deducting a percentage from managerial and executive salaries. Even when a company is forced to retrench its regular labor force, it does not decide single-handedly who and how many should get the blue chips. Instead, the company first negotiates with its labor union over the size of the reduction and terms of retirement and then recruits those who will volunteer to resign with higher separation allowances than usual and other special benefits.

Recently, Toyo Spinning Co. recruited 2,300 such volunteers (after its union forced the company to revise its original plans of cutting its payroll by 3,800) and several other companies in the textile and electronics industries are following suit.

The volunteers are usually either those who are approaching retirement age or young girls who are still very much in demand in other industries—those who sacrifice the least. Only when there are not enough volunteers do the companies suggest who

should go by a subtle practice generally called "kata tatakai"—tapping the shoulders of the candidates for "voluntary retirement."

There are two groups of people who are exceptions to the general rules of the Japanese life-time employment system, and they make up important human resources many companies can easily dispense with in times of difficulty.

One is the "temporary workers"—seasonal workers from farming areas, mostly in northern Japan, housewives working part-time and day laborers—who are not considered as members of a "company family" and, therefore, not entitled to the benefits usually accorded regular employees.

Female workers are another exception of sorts. They generally quit the firm for marriage or, because of their sex and low status on career ladders, they can move from one company to another more easily than men. Seasonal and part-time workers are often

the first to be dismissed when a company faces a crunch, as many do now—and few alternative jobs are available to them. When a young girl loses her job, however, she either goes home to become a dependent or finds another job.

"There is no job shortage for young labor," says an official of the Nikkeiren (the Japan Federation of Employers' Associations). "On the contrary, many companies are worried that next year there will be only one junior or senior high-school graduate looking for a job for every six or seven openings."

In fact, when about 300 girls lost their jobs recently after a spinning company in Nagoya folded, the company received more than 1,000 job offers for them.

Despite these cushions and a continuing shortage of young labor, however, an unemployment problem does seem to be looming over the horizon as a result of

(Continued on page 3, col. 7)



Trading Houses Have Deep Hold on Japan's Economy

By Alec Hamilton

TOKYO (Herald Tribune).—Japan's giant business groupings have revived in step with the advance of the country's economy until they now are in a more powerful and possibly unassailable position than at any time in their history.

The 10 leading *sogo shosha*, or general trading firms, led by the long-established *Mitsui* and *Fuyo*, and *Mitsubishi* Corp., account for nearly 53 per cent of all Japanese exports and just over 64 per cent of all imports.

The activities of the trading companies drew scathing attack recently from *Toshihide* Takahashi, chairman of the government's Fair Trade Commission. He charged that they were de-

veloping huge business groups reminiscent of the *zaibatsu* combines that dominated the economy before World War II and provided the Japanese war machine with its economic backing.

He accused the trading houses of borrowing huge funds from banks to amass shares in major industrial companies for the purpose of expanding their groups. He said that stock holdings by the trading firms had increased to 6.6 times their original capital by March, from 1.4 times their capital six years ago.

In leveling the charges, Mr. Takahashi was putting forward the case for F.T.C. proposals to revise the Anti-Monopoly and Fair Trade Law, including a provision to restrict the share hold-

ings of the big corporations in other companies.

Holdings

He said that 70 per cent of the stocks held by leading trading companies represented shares of major corporations listed on the Tokyo Stock Exchange, while the remaining 30 per cent represented holdings in smaller enterprises aligned under the respective groups.

Mr. Takahashi added that the trading companies were entering the sphere of industrial production, which went beyond their normal function as merchants.

"Such *zaibatsu*-like conglomerates are without parallel in the rest of the world and must be

controlled properly," the F.T.C. chairman said.

Predictably, his statements drew a howl of outrage from Japan's business community—and even from some government ministries. Big business already complains that the F.T.C.—set up by Gen. Douglas MacArthur at the end of the war—acts as both prosecutor and judge in cases before it. Business critics want to see its judicial and investigative roles separated.

Officials of the trading companies, who see their major role as one of co-ordinating projects, charged that an attempt by the F.T.C. to regulate their activities could seriously affect the national economy.

But it cannot be denied that the trading houses have an

octopus-like hold on the Japanese economy, with their tentacles reaching far and wide. The F.T.C. says that the Big Six houses—*Mitsui*, *Mitsubishi*, *Sumitomo*, *C. Itoh*, *Marubeni* and *Nishiohwa*—had combined sales in 1973 in a ratio of approximately one to five of the total gross national product.

The F.T.C. says the Big Six are trying to gain control over whole sectors of the economy, from the procurement of raw materials to the sale of the finished products, through a process of vertical integration.

The trading companies also came under public fire early this year after the oil crisis, with charges that they were hoarding materials and cornering commodities. On an individual basis, such charges might not have too much weight, but when the Big Six are taken as a whole, their potential is staggering.

A survey of industrial groupings in Japan, published last year by the British trading concern *Dodwell* and Co., says the 13 groups covered in the book account for 80 per cent of the manufacturing turnover of Japanese companies quoted on the Tokyo Stock Exchange, 47 per cent of banking and 78 per cent of non-life insurance turnover.

The 13 groups surveyed are *Fuyo*, *Dai-ichi Kangyo Bank*, *Nippon Steel*, *Mitsubishi*, *Nissan*, *Toyota*, *Matsushita*, *Toshiba*, *IHI* and *Tokai*, plus three of the Big Six—*Mitsubishi*, *Mitsui* and *Sumitomo*.

The last three are the major successors to the prewar *zaibatsu* companies, which were broken up by the Allied occupation forces to break them down.

Three Leaders

The *Dodwell* survey lists the three leaders in the *Mitsubishi* group as the *Mitsubishi Bank* Ltd., the *Mitsubishi Corp.* and the trading firm, and *Mitsubishi Heavy Industries* Ltd.

In addition, it lists a further six members of the group which take part in formulating group policies, usually in the form of two-weekly or monthly meetings of the presidents of the companies. These range from *Mitsubishi Petrochemical* Co. Ltd. to *Asahi Glass* Co. Ltd., *Mitsubishi Electric* Corporation and *Mitsubishi Estate* Co. Ltd., dealing with real estate.

The survey points out that there is some movement by companies from one group to another and that the strength of the ties binding companies within a group vary from one company to another.

Because holding companies are not allowed in Japan, strongly centralized control over group members is not possible. In some ways a group resembles a club with common interests based on a variety of ties ranging from supplies to merchandising techniques, financial assistance, shareholdings and historical associations.

In explaining the group philosophy, the *Dodwell* survey says in its preface:

"Group control in Japan stems basically from the heavy dependence on banks for finance, as Japanese companies depend on loans for up to 80 per cent of their capital. . . . In most cases therefore the industrial groups are centered around the banks, financial institutions and trading companies, whilst the other leading companies of the group depend on the historical growth of the group, the strength of the management, and the size of the company."

global business interests. Their network of representatives and intelligence gathering rivals—and

in some cases surpasses—the Japanese Foreign Ministry itself, which has a sorry record of neglecting certain areas of the world and of misjudging local sensibilities.

The trading houses have shown themselves to be more adaptable to the international situation, although the younger generation of Japanese businessmen abroad—particularly in Southeast Asia—has been accused of living in a ghetto-like atmosphere with little contact with the local people outside business hours.

Interestingly, however, a foreign posting is increasingly regarded as a period of exile away from the mainstream of advancement in a company.

The trading houses regard themselves increasingly as co-ordinators, smoothing the path for client businesses. They act as intermediaries between banks and industry, both on a national and an international level, they provide management expertise, market knowledge and technology.

During the 1960s, the trading houses were among the leaders in Japan to go out and seek sources of raw materials, upon which the country depends for its industrial existence. The reputation they gained, in fact, was often unfavorable, but in the economic climate of the decade the Japanese paid little attention to charges of economic imperialism and exploitation.

But rising "resources nationalism" in the developing countries—and developed nations like Australia—all domestic criticism over industrial pollution have all served to alter this outlook.

Japan's Foreign Trade Council said in a recent report that the country should aim for an international division of labor. It should obtain a stable supply of raw materials in exchange for technical know-how and assistance in developing the industrial structure in the host nation.

This is also in line with government and business thinking in Japan. Senior businessmen are talking of establishing basic refining plants close to the sources of raw materials and then importing the semifinished product to Japan for final processing.

Criticism

Such proposals, again, are not without their critics. Japan has been accused of wanting to export its pollution, while the main financial profit would accrue to domestic Japanese companies.

Such criticism is not necessarily fair. A major problem facing the steel industry, for example, is the need to raise huge sums of money to finance overseas projects and a lack of technical expertise in the host countries.

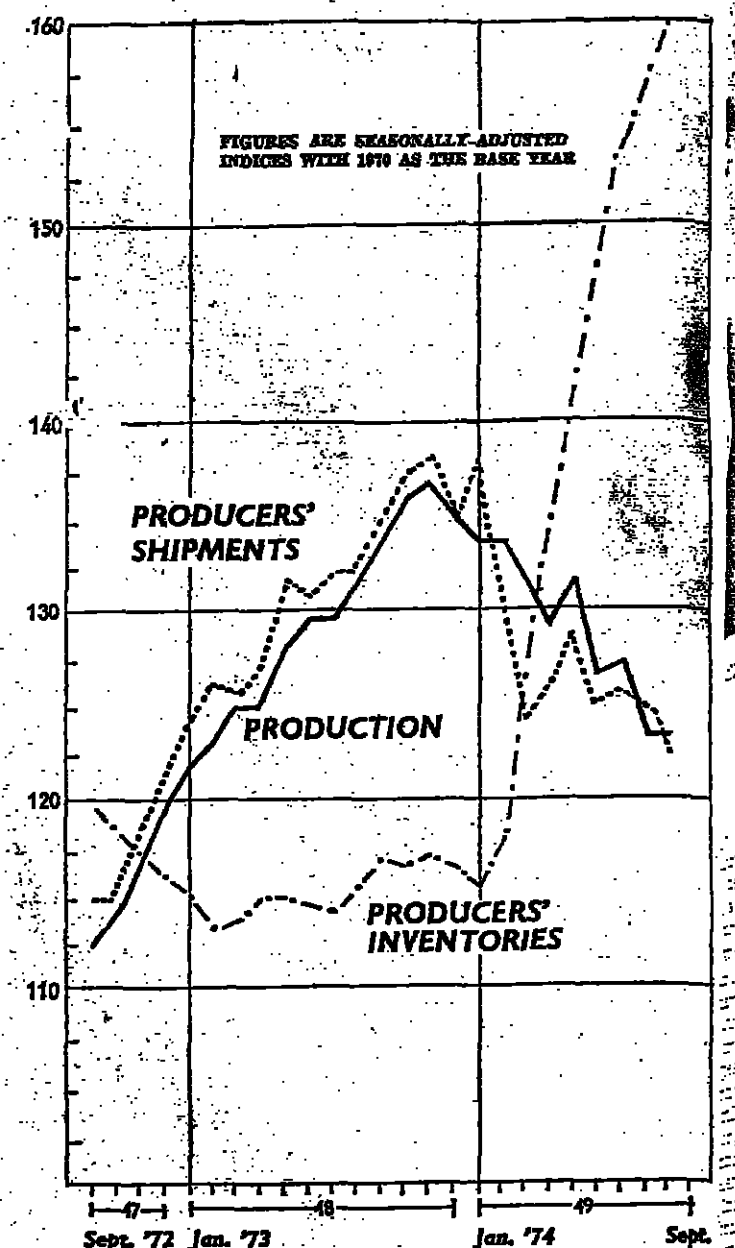
It is not a matter of simply setting up a steel mill or petrochemical plant. Dozens of other factors have to be taken into consideration.

A major refining plant in the Brazilian jungle also needs ancillary services such as roads, railroads, accommodation for the workers and their families, shops, hospitals, schools. Thus a relatively simple concept can run into billions of dollars.

It is to tackle just such problems that the Japanese trading houses believe they are ideally suited. They have the financial and technical knowledge and the contacts with which to help a billion-dollar project along the path to success.

The companies have also in the past been accused of hoarding and speculation on a global scale, charges which undoubtedly had some truth to them. But a new realization of the need for international cooperation seems to be making headway, and Japanese business has been unable to avoid the winds of change.

Production Trends, Shipments and Inventories of Mining, Manufacturing Industries



Recession and Jobs

(Continued from page 7)

the recessionary economy. Because many companies have stopped hiring seasonal and part-time workers and ceased filling vacancies, the job market for temporary help and off-season applicants is extremely tight.

More significant, the increasing number of corporate bankruptcies—more than 800 a month since October last year—have forced thousands of people out of work. As a result, the opening-to-application ratio has dwindled from 1.92—virtually two openings per applicant—in November last year to only 1.04 last September, with signs indicating worsening conditions.

The Labor Ministry now predicts more than a million people may be unemployed next March, the largest number since March, 1967, when Japan's jobless rate reached 2 per cent, with 1,150,000 people unable to find jobs.

Will the recession, if it continues, change Japan's employment practices?

Some, like former Vice-Minister of International Trade and Industry *Kenji Yamashita*, think so. "Paternalism has lasted this long because we have suffered no depressions since the war, only sporadic recessions which were able to overcome," he said recently in an interview.

"If we now lay off a million people and then recover, our employment system, in the process, will have become modernized, more akin to that of Europe and the United States."

Many labor experts and recruiting officials, however, believe that the present lifelong employment system, coupled with the seniority system, is so ingrained in Japanese society and conforms so well with traditional Japanese values

that it will not change noticeably despite the recession.

"Many companies would rather fold up and distribute property among the employees," says *Nikkei* official, "than have to fire them."

Paradoxically, change may come from another source—labor shortage. The chronic shortage of young labor—so rare are the young job seekers that they are called "golden eggs"—has combined with inflation to boost the wages of employees freshly recruited from junior or senior high school. This has, in turn, narrowed wage differences between young workers and developed senior employees that the seniority system has lost much of its attraction.

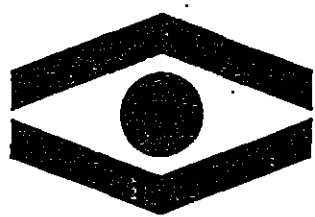
"The people have stayed with one company for a lifetime," notes the labor relations manager of a major corporation, "because they knew they would go up in wages and position if they worked hard and seriously."

"But because of the high starting salaries of young employees and relatively slow wage increases thereafter, many workers now tend to put more emphasis on their family life than on their work, and they are more willing to switch their jobs."

"That may well be the case if the present trend continues: decreasing numbers of available young recruits, moderation of economic growth and growing individualism. And if that happens, companies will be less interested in recruiting their employees directly from school, as is the general practice now, and then pushing them slowly up the seniority ladders, and the workers will see less value in staying loyal to a single company."

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* As listed in the August 1974 issue of *FORTUNE* magazine.

CONDENSED BALANCE SHEET September 30, 1974

Assets	In thousands of Yen	In thousands of U.S.	Liabilities	In thousands of Yen	In thousands of U.S.
Cash and Due from Banks	727,634,995	2,445,832	Deposits	4,981,890,241	16,577,950
Call Loans	4,131,820	13,888	Call Money	762,232,500	2,562,126
Securities	799,610,051	2,687,765	Borrowed Money	147,939,941	477,109
Loans and Bills Discounted	4,714,253,109	15,846,229	Foreign Exchanges	589,629,694	1,981,948
Foreign Exchanges	571,967,753	1,922,580	Domestic Exchange Settlement a/c, Cr.	65,083,370	218,768
Domestic Exchange Settlement a/c, Dr.	73,609,176	247,426	Acceptances and Guarantees	951,750,915	3,199,163
Customers' Liabilities for Acceptances and Guarantees	951,750,915	3,199,163	Accrued Expenses	120,784,447	405,998
Bank Premises and Real Estate	114,038,867	383,324	Unearned Income	44,046,480	148,055
Other Assets	48,026,653	161,434	Other Liabilities	34,561,025	116,171
TOTAL	8,005,023,339	26,907,647	Reserve for Possible Loan Losses	73,867,648	248,295
			Reserve for Retirement Allowances	23,607,714	79,354
			Reserve for Price Fluctuation	7,700,690	25,885
			Other Reserves	21,485,562	72,221
			Capital (Paid-up)	66,000,000	221,849
			Legal Reserves	17,759,843	59,697
			Other Surplus	122,883,169	413,052
			TOTAL	8,005,023,339	26,907,647

Yen amounts were converted into U.S. dollars at the current rate of Sept. 30, 1974 (U.S.\$1=¥297.50).

As a general banking practice in Japan, the Sanwa Bank designates its semiannual fiscal period as ending March 31 and September 30 of each year. Such periods are combined to present the results of annual operations, and our annual report is published as of March 31 each year.

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The Export Market : A Deceptive Picture

By John Herrick

TOKYO (Herald Tribune)—These days talk of a Japanese export invasion of the West brings a look of pain to the normally cheerful faces of Japanese businessmen.

"We don't like to be called invaders," a Honda Motors official explained sorrowfully.

The electronics industry in Japan has even agreed to voluntary restraints on exports in an effort to calm the fears of Western manufacturers and avoid restrictions by other governments on Japanese imports. But officials of the industry and of the Japanese government insist that the export restraints here, adopted at the urging of European countries, are not necessary.

An official of the Export Division of the Ministry of International Trade and Industry characterized Western fears of Japanese competition as "psychological rather than economic in nature." He insisted that Japanese products usually have a rather small share of the markets in Western countries—too small a share to injure Western manufacturers seriously.

In fact, the Japanese invasion of Western markets looks like something seen through the wrong end of a telescope when viewed from Tokyo.

Japan, almost completely cut off from the West until a little more than 100 years ago, is probably the most westernized country in the East.

Tokyo department stores offer Swiss watches, French fashions, English wool goods, European wines, Scandinavian furniture and American refrigerators. Japanese imports have been increasing faster than exports since February, 1973.

Exports of Japanese radios, television sets and tape recorders to Europe have been generally down this year, even to countries not affected by the voluntary restraints here on exports.

In the period from April through September, 1974, Japanese television sets exported to the European Economic Community had a total value of \$69 million almost 10 per cent below sales in the corresponding six-month period of 1973.

Exports of tape recorders in that period of 1974 were worth \$86 million, down 15 per cent from the 1973 period. Radios did slightly better, with exports to the EEC nations reaching \$129 million, up 8 per cent from the six-month period of the preceding year.

However, the Ministry of International Trade and Industry points out that even these figures

paint an overly optimistic picture. Prices on Japanese electrical goods have gone up sharply during the last year. As a result, even the 8-per-cent increase in the value of radio exports represents a decline in the volume of exports, the ministry says.

The Electronics Industries Association of Japan attributes the decline to economic factors, rather than the effects of voluntary export restraints.

The most important factor is the rising price of Japanese products. Both wages and wholesale prices in Japan are running about 30 per cent above year-ago levels. This is reflected in the prices of Japanese products, which are rapidly losing their cost competitiveness. Also, inflation has

pushed down consumer demand in most industrialized countries. "Restrictions on Japanese exports are not really necessary in my opinion," a source at the Electronics Industries Association of Japan says.

A good case in point is the United Kingdom, which successfully urged Japanese manufacturers to put voluntary restraints on television sets. The quotas agreed on called for a slight increase in the number of black-and-white sets exported to England and a slight decrease in the number of more expensive color sets.

Exports Drop

In fact, however, during the first nine months of this year

the value of Japanese television sets exported to the United Kingdom dropped more than 36 per cent from the comparable period of last year.

In addition to the restraints on exports of television sets to England, Japan has agreed to voluntary curbs on television sets, radios and tape recorders sent to the Benelux countries and to not-so-voluntary restraints on most electronics goods shipped to France.

Export ceilings were worked out by the Japanese manufacturers in conjunction with the Ministry of International Trade and Industry. A percentage of the total market was allocated to each firm on the basis of sales recorded in preceding years.

France is the one country in

Europe where imports of Japanese electronic products are still expanding rapidly. During the first nine months of this year, television imports there increased by more than 250 per cent in terms of volume and more than 560 per cent in terms of value, compared with the first nine months of 1973. But the actual volume of Japanese television sets was very low, only a little over 12,500 units. This is because the French have been restricting imports of Japanese electronic goods for about 10 years.

The present startling growth of Japanese exports to France, in percentage terms, provides a clue as to how the myth of a Japanese economic invasion of the West got started in the first place.



Courtesy Office of Public Relations, Tokyo Metropolitan Government.
Tall building casts a long shadow over homes in Tokyo.

Slump and Hopefulness

(Continued from page 7)

The first month of the fourth quarter posted an \$830-million trade surplus and all signs point to a further improvement in the near future.

While shortages of oil and various other raw materials have sharply boosted Japanese import costs, the country has benefited from global shortages of some types of manufactured goods, principally steel and chemical fertilizers. These two products, along with ships, have been the principal growth factors in the recent export surge.

Indeed, the improvement in Japan's external situation has been so fast and so dramatic that questions are beginning to be asked as to whether the turnaround has taken place too quickly for the good of the rest of the world. In mid-October, Johannes Witteveen, managing director of the International Monetary Fund (IMF), gave a speech in Tokyo in which he urged oil-consuming nations to resist the temptation to eliminate oil-price-induced balance of payments deficits as quickly as possible.

He argued that such deficits should be accepted and financed or at least four to five years until the payments surpluses of oil-producing countries can be eliminated, either through additional purchases of foreign goods and services or through long-term investment channels.

While Mr. Witteveen refrained from mentioning any specific country by name in issuing his warning, it was clear he was talking about Japan. The focus on his country became even more apparent when Mr. Witteveen also warned against the employment of strong deflationary policies to curb inflation, arguing that too aggressive control of demand as a means of fighting price increases by a major nation could be instrumental in plunging the world into a depression.

The IMF managing director argued in favor of measures aimed at maintaining economic activity "somewhat lower than the level of maximum production" and the simultaneous adoption of a incomes policy to dampen inflationary expectations. Mr. Witteveen acknowledged that incomes policies have gotten a rather bad name as a result of a poor record in the United States and Europe, but he argued that they can be effective if imposed only after excess demand has been eliminated.

Ignore Advice

The Japanese have largely ignored Mr. Witteveen's advice. Various officials have argued that Japan should be allowed to improve its payments situation faster than other industrialized nations because it is the country most dependent on imported oil for energy and the country most dependent on imports of basic raw materials.

They have also contended that Japan should be allowed special dispensation to severely restrict its domestic economy because the rate of increase in their country's wholesale price index has been running higher than that of all other industrialized nations, with the possible exception of Italy, in the very recent past.

The officials have also rejected the idea of an incomes policy, contending that the public is not ready for such a step. The Japanese people believe that an incomes policy means controls on wages alone, these officials say, adding that a campaign of information is necessary before any steps toward implementation can be contemplated.

Isamu Miyazaki, chief of the Economic Planning Agency's Research Department, recently suggested that his country's exports are likely to grow by 17 to 19 per cent in volume in the year ending March, 1975, against a projected increase of only 6 per cent in total world imports.

That means that Japan is in the process of grabbing a substantially larger share of world trade at a time when it has never been more essential for other

countries, with the exception of West Germany, to boost their exports as well. In October, the most recent month for which statistics are available, Japan's exports rose an astonishing 32 per cent in volume from the year-earlier level.

While the Japanese are selling more to other countries, they are buying fewer goods abroad, although at much higher prices than a year earlier. In terms of quantity, Japan's imports fell 9 per cent in September and by 13.5 per cent in October, both compared with a year earlier. In October, Japan's crude oil imports, by volume, were running 13.1 per cent below October 1973.

Recession

The export drive and import slump are attributed to a longer-than-expected recession in the domestic economy. Japanese companies maintained production at relatively high levels in the first half of the year, anticipating an easing of monetary and fiscal policies in the second half after a good showing by the governing Liberal Democratic party in an early summer election for the upper house of the Diet.

The party did much worse than expected, however, barely maintaining an absolute majority, and the loss was laid largely to public dissatisfaction over inflation. Thus, the right stabilization program drawn up by Finance Minister Takeo Fukuda, who quit the

cabinet just after the election in an attempt to undermine the power of Premier Kakuei Tanaka, has remained firmly in place.

As of September, Japan's index of industrial production had been declining for four consecutive months and producers' shipments had been falling for seven straight months. Inventory as a ratio of shipments stood at a record level in September. As of August, the nation's index of capacity utilization (1970 equals 100) was down to 89.8.

Those economists who had been pinning their hopes on an upturn in consumer spending as a result of an average 32-per-cent wage increase last spring were shocked when Tokyo's 26 department stores reported that their sales in October were up only 7.5 per cent in nominal terms from a year earlier, compared to gains exceeding 20 per cent for most of the year's preceding months. When the effect of price increases was eliminated, sales actually fell by 15 per cent, the department stores reported.

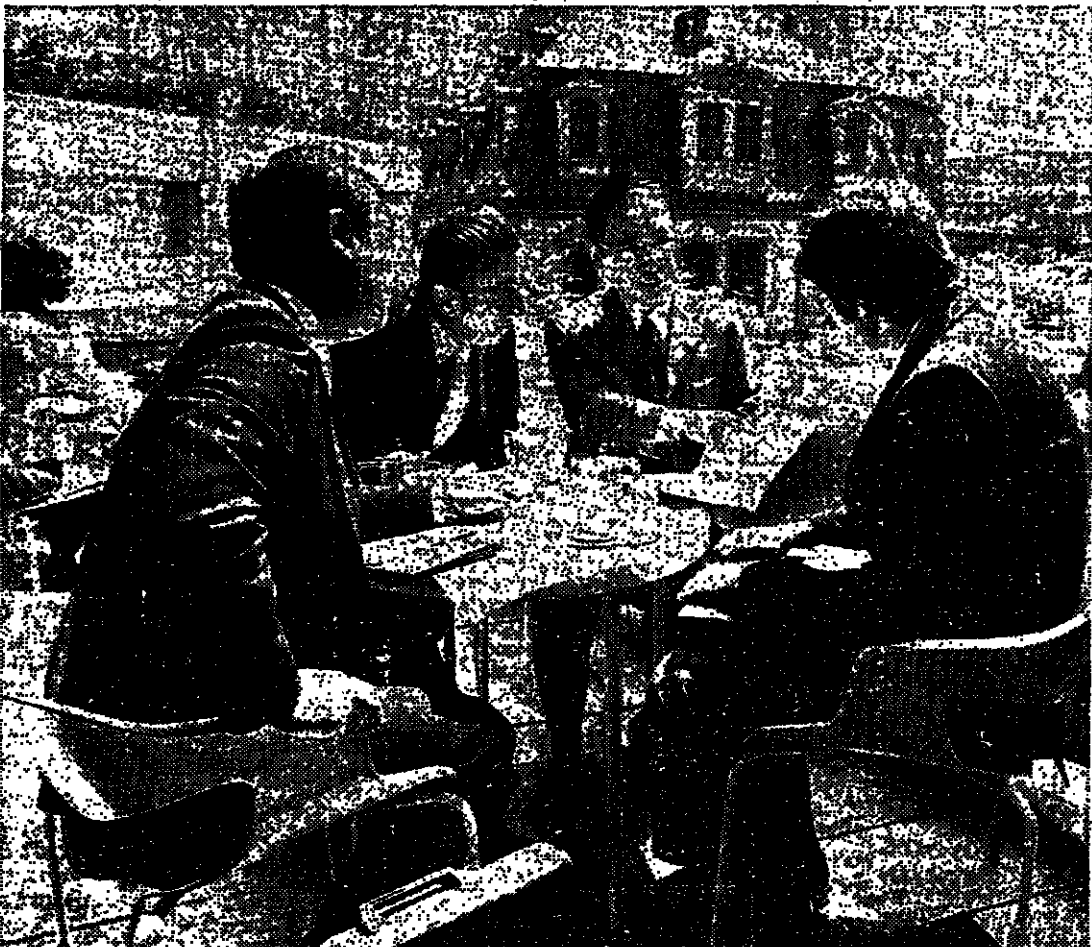
The extent of Japan's economic slump has also been mirrored in its business failure statistics. Corporate bankruptcies rose to a record 1,108 cases, each involving 10 million yen or more in liabilities, in October, according to a leading credit agency.

None of these developments has been considered serious enough for the government to change its fundamental approach to economic management.

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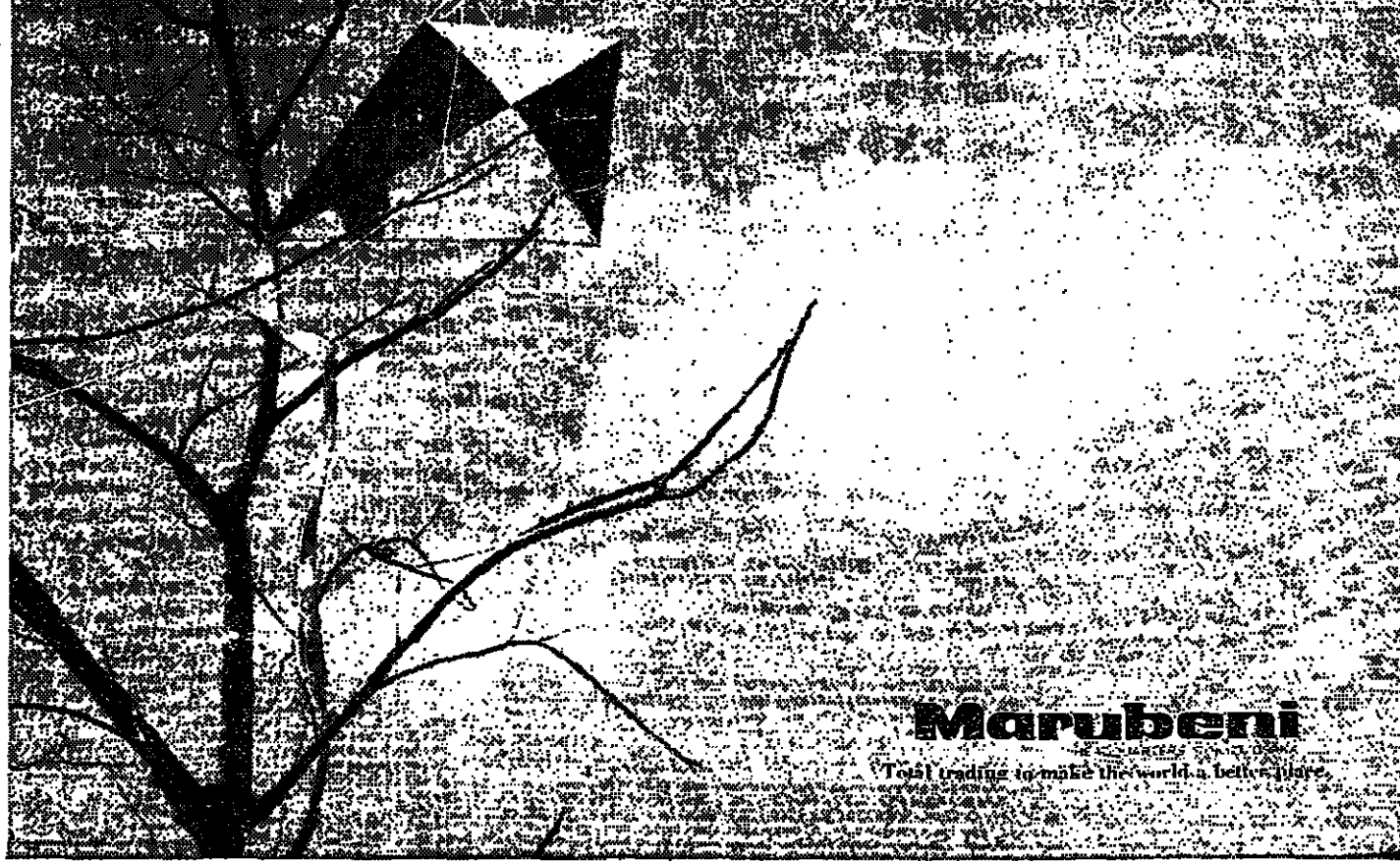


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The Rush for Overseas Investments

(Continued from page 7)
are involved. Other examples come from the Middle East, where Mitsubishi Corp. is working on a large-scale (\$3 billion) plan for a Saudi Arabian petrochemical complex and Mitsui is engaged on a similar project in Iran.

The rationale of these projects is fairly obvious. Japan no longer wants to expand its own capacity for basic raw material processing—preferring to concentrate on more sophisticated industries with higher added value.

Japan is prepared to import part of the processed materials produced by Japanese-built factories in, say, Brazil or Saudi Arabia. And of course Japanese industry gets the export contracts for the vast quantities of plant and equipment needed by the host countries.

There are two main snags about Japan's foreign investment program. The most obvious is that too much of it has up to now been concentrated in Southeast and East Asia. Japan accounts (to take a couple of random examples) for 37 per cent of all industrial investment in Thailand and last year provided 90 per cent of all new investment going into South Korea.

Percentages like these tend to make the host countries uncomfortably aware of their dependence on Japan, especially when the Japanese economy itself runs into difficulties as it has done during the last year.

Textile Flood

Japan has positively flooded East and Southeast Asia with textile and shipbuilding plants in the last few years, but may now be regretting its concentration in these fields, given the difficulties both industries are

facing. Japanese-owned textile plants in Korea, Taiwan or Indonesia are going to find it increasingly difficult to export their products back to Japan in the medium-term future in view of the collapse of consumer demand for textiles and the difficulties Japan's own textile producers are facing.

Japanese-owned shipyards in Singapore and elsewhere in Southeast Asia are very soon going to feel the cold draft of recession in the world tanker market. In the field of petrochemical investment Japan has gained a lead throughout its region—at least so far as blueprints for future projects are concerned. But the Thais are now grinding their teeth over the polite insistence of Mitsui and Mitsubishi that an integrated petrochemical complex planned for their country must be postponed for at least two years because of the collapse of demand for petrochemical products.

The second major problem about Japan's overseas investment is how to pay for it. This was not a problem in 1971, 72 or even in the early part of 73. During those years the Japanese had more foreign exchange than they knew what to do with, and the Japanese government was only too glad to see money invested abroad even if it went into a golf course in Hawaii or hotels in Paris. The situation went sharply into reverse toward the end of last year when the Japanese realized that they had overcompensated and were in fact going to run an enormous deficit (it turned out to be \$13 billion for fiscal 1973-74). Nowadays the Finance Ministry discourages what might be termed "frivolous" foreign investments, but it is more than ever interested in resource-related investments, particularly if they have anything to do with oil.

If Mitsubishi decides to go

ahead with its Saudi Arabian petrochemical project (on which it is still conducting a feasibility study) it will have no trouble getting a go-ahead from the government, but it will be urged to minimize the burden on the Japanese balance of payments. This could involve borrowing a large part of the money needed from the Saudi Arabians themselves (who basically want Japan's knowhow and its import market—not its money). In other cases major overseas investment projects are likely from now on to be financed by international borrowing rather than from Japan's own resources. To take a random example from Europe, Asahi Chemical Co. is planning to finance at least part of its Irish acrylic-fiber plant by buying equipment in Britain on supplier's credit insured by the British Export Guarantees Department. Other Japanese overseas investors would like to raise money on the Eurodollar market, but their prospects of doing so in the current state of the market are somewhat doubtful.

The problem of finding the money to pay for investments, plus the fact that Japan's own economic growth is likely to be rather slow in the next year or two, may remove some of the impetus from the overseas investment boom. It will be surprising if the value of this year's direct investment abroad reaches anything like the scale of last year's, and 1975 may not be much better. In the long run, however, the factors tending to make Japanese business expand overseas instead of, or as well as, at home are likely to persist. Japan will take its place in due course alongside the U.S. and Britain as one of the world's leading overseas investors. As it does so, it will become more and more dependent for its economic welfare on what the rest of the world feels about its behavior.

Between Russia and China

By Eduardo Lachica

TOKYO (UPI)—A knock for working both sides of the street has given Japan the best possible bargain out of its expanding economic relations with the Soviet Union and China.

Since breaking with Taiwan and "normalizing" its relations with the People's Republic of China, Japan has more than doubled its trade with the mainland. This year, Chinese-Japanese trade is likely to exceed \$2.5 billion and to give Japan a surplus of \$400 million or more.

Japan's most impressive coup was securing a Chinese commitment to ship 4.5 million tons of crude oil this year and a promise to increase oil shipments to as much as 10 million tons next year.

With these transactions, China reversed its policy of not exporting mineral resources in any significant amounts. China is now credibly considered a major source of oil, not only for Japan, but also for the Philippines and Thailand.

China's pressing need for foreign exchange to doubt played a role in deciding to open its pipelines to non-Soviet buyers. But observers here believe that

Japan's option to invest in the development of Siberian oil also influenced the Chinese decision.

Japan's trade with the Soviet Union is also growing at a fast pace; from \$1,088,084 in 1972 to \$1,561,910 in 1973. Patient diplomacy on both sides has given Japan access to some of Siberia's reputed natural resources.

Tyumen oil, because of its political sensitivity, is out of the shopping list for the moment, but Japan is already buying timber and wood chips and it is putting down \$430 million to help finance the extraction of coking coal in southern Yakutia.

With the United States coming in as an equal partner, Japan is extending another loan for a survey of natural gas fields in the same Siberian region. It hopes to pay for part of the costs of a liquefaction plant and a pipeline in exchange for a supply of 10 billion cubic meters of gas every year for 20 years.

Japan is uniquely situated to exploit the rivalry between the two Socialist powers with little political risk to itself. It is the most important trading nation in a region where both the Soviet Union and China are contending for prestige and influence.

More vital yet, Japan is a leading producer of industrial materials and technology now in demand by the two nations for their own internal development.

China needs steel products, fertilizers and synthetic textile plants. The Soviet Union is in the market for metal-working machinery, offshore drilling rigs, earth-moving equipment and trucks.

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Report from Mitsui O.S.K. Lines

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The Semi-Annual General Meeting of shareholders of Mitsui O.S.K. Lines, Ltd. was held in Osaka on the 28th November, 1974.

MOL achieves excellent results in current six-month term

The Liner Service of Mitsui O.S.K. Lines, the most widespread such service in the world, over the current six-month period rang up performance figures greatly surpassing those of the preceding six months. This success can be attributed to the company's rational assignment of ships, in line with the increase in Japanese exports, the rise in profitability of

incoming cargo transport, from soaring freight rates of tramps, and to the company's all-out managerial efforts.

Total income reached ¥161,978 million — 29 percent up from the preceding period.

Pre-tax recurring profit amounted to ¥8,307 million which was an increase of 55 percent over that of the preceding six months.

In June, MOL, as part of its project to further internationalize its operations, set up an oil-drilling joint venture — Global Marine MOL, Ltd. It followed this up in September by deciding to initiate two joint venture companies of Saudi Arabian registry — Saudi Arabian Shipping Co., Ltd. and Arabian Marine Operating Co., Ltd.

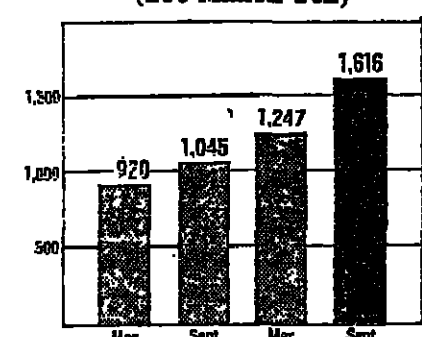
At the end of September, MOL listed its stock on the Brussels, Antwerp and Frankfurt Stock Exchanges.

At present, MOL operates container services between the Far East and Europe, the Mediterranean, North America, and Australia.

In addition to these, the company's conventional liner operations range all over the world. MOL's tramps, tankers and special cargo carriers are also playing a big role in helping expand world trade by undertaking transport of cargoes from resource-producing countries to leading industrial nations.

As of the end of September, MOL owned 143 ships totalling 6,714,195 dwt, while its total bottoms in operation at that time ran to 300 ships aggregating 10,384,065 dwt.

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A view of the Kure yard of Ishikawajima-Harima Heavy Industries, with large tanker under construction in foreground.

Alternatives to Petroleum

(Continued from page 7)

Solar light is focused on semi-conductors in water to supply both oxygen and hydrogen gas.

"It has been discovered that a titanium oxide crystal electrode and a platinum electrode linked and immersed in water can be used to generate electricity when sunlight is directed at the surface of the titanium oxide," a Tokyo scientist involved in the project explained. He acknowledged, however, that it is "difficult to predict whether this and similar processes offer any chance of commercial application for the immediate or even distant future."

More to the point is Japan's gigantic program to harness the sun as a source of energy—the "Sunshine Project" series. Over the next 30 years, according to the program now under way, the Japanese will attempt to develop a commercially viable nuclear fusion reactor and a solar power generation plant.

It is thought possible, for instance, that a practical solar power generation plant, with a capacity of about 10,000 kilowatts, can be built in Japan by 1980. The eventual target, as the Japanese see the program, would be to construct a plant capable of producing 2 million kilowatts of electricity by 1990 at the latest.

Yet the various "projects" also include extensive research into geothermal energy, production of synthetic gas and use of hydrogen energy too. An example: Japan's scientists now consider it likely that they can develop underground steam use far beyond the current scale of generation of only 20,000 kilowatts.

"Some of us see the chance of running water into the base of our volcanoes to generate steam," a Tokyo scientist suggested. "This just might allow the development of 50,000-kilowatt geothermal power stations within a decade or so, certainly as early as 1985 if we really push the concept."

The goal being mentioned is a 300,000-kilowatt generation plant using volcanic sources by 1990. No troubles are anticipated and some of these scientists' most taken by the idea are promising a generating capacity of about 2 million kilowatts by the end of this century.

Japan estimates that by 1985 the total amount of power generated by all types of geothermal plants in operation should reach at least 7 million kilowatts. This figure, it is claimed, could ap-

proach 48 million kilowatts 15 years later.

Not unnaturally, given recent developments, the Japanese are concerned about the future of their new energy programs. Cost spirals involving labor, equipment, facilities and fuel are eating into funds set aside or appropriated for the various projects.

This situation has led to a re-examining of the use of hydroelectric power, presently accounting for less than a third (26 per cent) of the total power consumed in Japan. Such hydro-power resources are abundant in the country and to a large extent remain relatively undeveloped.

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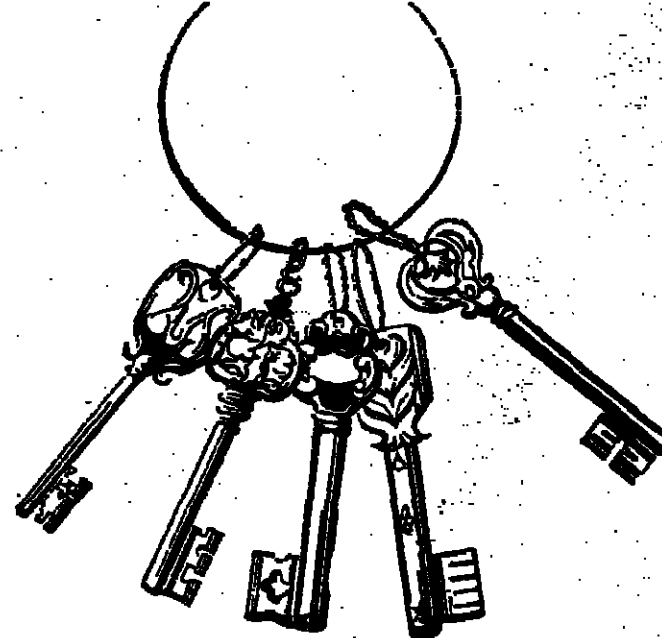
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Austrail 8 1/2	7	60	50	50	-10
Austrail 9 1/2	7	60	50	50	-10
Austrail 10 1/2	7	60	50	50	-10
Austrail 11 1/2	7	60	50	50	-10
Austrail 12 1/2	7	60	50	50	-10
Austrail 13 1/2	7	60	50	50	-10
Austrail 14 1/2	7	60	50	50	-10
Austrail 15 1/2	7	60	50	50	-10
Austrail 16 1/2	7	60	50	50	-10
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Austrail 96 1/2	7	60	50	50	-10
Austrail 97 1/2	7	60	50	50	-10
Austrail 98 1/2	7	60	50	50	-10
Austrail 99 1/2	7	60	50	50	-10
Austrail 100 1/2	7	60	50	50	-10

Bonds	Sales in \$1,000	High	Low	Last	Net chg
Austrail 101 1/2	7	60	50	50	-10
Austrail 102 1/2	7	60	50	50	-10
Austrail 103 1/2	7	60	50	50	-10
Austrail 104 1/2	7	60	50	50	-10
Austrail 105 1/2	7	60	50	50	-10
Austrail 106 1/2	7	60	50	50	-10
Austrail 107 1/2	7	60	50	50	-10
Austrail 108 1/2	7	60	50	50	-10
Austrail 109 1/2	7	60	50	50	-10
Austrail 110 1/2	7	60	50	50	-10
Austrail 111 1/2	7	60	50	50	-10
Austrail 112 1/2	7	60	50	50	-10
Austrail 113 1/2	7	60	50	50	-10
Austrail 114 1/2	7	60	50	50	-10
Austrail 115 1/2	7	60	50	50	-10
Austrail 116 1/2	7	60	50	50	-10
Austrail 117 1/2	7	60	50	50	-10
Austrail 118 1/2	7	60	50	50	-10
Austrail 119 1/2	7	60	50	50	-10
Austrail 120 1/2	7	60	50	50	-10
Austrail 121 1/2	7	60	50	50	-10
Austrail 122 1/2	7	60	50	50	-10
Austrail 123 1/2	7	60	50	50	-10
Austrail 124 1/2	7	60	50	50	-10
Austrail 125 1/2	7	60	50	50	-10
Austrail 126 1/2	7	60	50	50	-10
Austrail 127 1/2	7	60	50	50	-10
Austrail 128 1/2	7	60	50	50	-10
Austrail 129 1/2	7	60	50	50	-10
Austrail 130 1/2	7	60	50	50	-10
Austrail 131 1/2	7	60	50	50	-10
Austrail 132 1/2	7	60	50	50	-10
Austrail 133 1/2	7	60	50	50	-10
Austrail 134 1/2	7	60	50	50	-10
Austrail 135 1/2	7	60	50	50	-10
Austrail 136 1/2	7	60	50	50	-10
Austrail 137 1/2	7	60	50	50	-10
Austrail 138 1/2	7	60	50	50	-10
Austrail 139 1/2	7	60	50	50	-10
Austrail 140 1/2	7	60	50	50	-10
Austrail 141 1/2	7	60	50	50	-10
Austrail 142 1/2	7	60	50	50	-10
Austrail 143 1/2	7	60	50	50	-10
Austrail 144 1/2	7	60	50	50	-10
Austrail 145 1/2	7	60	50	50	-10
Austrail 146 1/2	7	60	50	50	-10
Austrail 147 1/2	7	60	50	50	-10
Austrail 148 1/2	7	60	50	50	-10
Austrail 149 1/2	7	60	50	50	-10
Austrail 150 1/2	7	60	50	50	-10
Austrail 151 1/2	7	60	50	50	-10
Austrail 152 1/2	7	60	50	50	-10
Austrail 153 1/2	7	60	50	50	-10
Austrail 154 1/2	7	60	50	50	-10
Austrail 155 1/2	7	60	50	50	-10
Austrail 156 1/2	7	60	50	50	-10
Austrail 157 1/2	7	60	50	50	-10
Austrail 158 1/2	7	60	50	50	-10
Austrail 159 1/2	7	60	50	50	-10
Austrail 160 1/2	7	60	50	50	-10
Austrail 161 1/2	7	60	50	50	-10
Austrail 162 1/2	7	60	50	50	-10
Austrail 163 1/2	7	60	50	50	-10
Austrail 164 1/2	7	60	50	50	-10
Austrail 165 1/2	7	60	50	50	-10
Austrail 166 1/2	7	60	50	50	-10
Austrail 167 1/2	7	60	50	50	-10
Austrail 168 1/2	7	60	50	50	-10
Austrail 169 1/2	7	60	50	50	-10
Austrail 170 1/2	7	60	50	50	-10
Austrail 171 1/2	7	60	50	50	-10
Austrail 172 1/2	7	60	50	50	-10
Austrail 173 1/2	7	60	50	50	-10
Austrail 174 1/2	7	60	50	50	-10
Austrail 175 1/2	7	60	50	50	-10
Austrail 176 1/2	7	60	50	50	-10
Austrail 177 1/2	7	60	50	50	-10
Austrail 178 1/2	7	60	50	50	-10
Austrail 179 1/2	7	60	50	50	-10
Austrail 180 1/2	7	60	50	50	-10
Austrail 181 1/2	7	60	50	50	-10
Austrail 182 1/2	7	60	50	50	-10
Austrail 183 1/2	7	60	50	50	-10
Austrail 184 1/2	7	60	50	50	-10
Austrail 185 1/2	7	60	50	50	-10
Austrail 186 1/2	7	60	50	50	-10
Austrail 187 1/2	7	60	50	50	-10
Austrail 188 1/2	7	60	50	50	-10
Austrail 189 1/2	7	60	50	50	-10
Austrail 190 1/2	7	60	50	50	-10
Austrail 191 1/2	7	60	50	50	-10
Austrail 192 1/2	7	60	50	50	-10
Austrail 193 1/2	7	60	50	50	-10
Austrail 194 1/2	7	60	50	50	-10
Austrail 195 1/2	7	60	50	50	-10
Austrail 196 1/2	7	60	50	50	-10
Austrail 197 1/2	7	60	50	50	-10
Austrail 198 1/2	7	60	50	50	-10
Austrail 199 1/2	7	60	50	50	-10
Austrail 200 1/2	7	60	50	50	-10

	Sales in	High	Low	Last	Net
Bonds	\$1,000				chg
ArcopFlt 2.781	270	102	102 1/2	102 1/2	0
ArcopFlt 2.825	270	99 1/2	99 1/2	99 1/2	0
ArcopFlt 2.875	99	97 1/2	97 1/2	97 1/2	0
ArcopFlt 2.925	28	99 1/2	99 1/2	99 1/2	0
ArcopFlt 2.975	28	99 1/2	99 1/2	99 1/2	0
ArcopFlt 3.025	74	100	99 1/2	99 1/2	0
ArcopFlt 3.075	74	100	99 1/2	99 1/2	0
ArcopFlt 3.125	11	61 1/4	61 1/4	61 1/4	0
ArcopFlt 3.175	3	61 1/4	61 1/4	61 1/4	0
ArcopFlt 3.225	3	61 1/4	61 1/4	61 1/4	0
ArcopFlt 3.275	21	48	48	48	0
ArcopFlt 3.325	21	48	48	48	0
ArcopFlt 3.375	3	72	72	72	0
ArcopFlt 3.425	3	72	72	72	0
ArcopFlt 3.475	45	83	83	83	0
ArcopFlt 3.525	45	83	83	83	0
ArcopFlt 3.575	3	65	65	65	0
ArcopFlt 3.625	3	65	65	65	0
ArcopFlt 3.675	3	59 1/2	59 1/2	59 1/2	0
ArcopFlt 3.725	3	59 1/2	59 1/2	59 1/2	0
ArcopFlt 3.775	42	42	42	42	0
ArcopFlt 3.825	42	42	42	42	0
ArcopFlt 3.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 3.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 3.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 4.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 5.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 6.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 7.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 8.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 9.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 10.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.175	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.225	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.275	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.325	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.375	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.425	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.475	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.525	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.575	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.625	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.675	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.725	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.775	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.825	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.875	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.925	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 11.975	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 12.025	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 12.075	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 12.125	108	97 1/2	97 1/2	97 1/2	0
ArcopFlt 1					

Euromarket

Continued from Page 11
 The decline in short-term rates
 The decline in short-term rates
 The decline in short-term rates

N.Y. Stock Exchange

Week Ended Dec. 21, 1974
 Sales High Low Last Change
 100,000 100,000 100,000 100,000
 100,000 100,000 100,000 100,000
 100,000 100,000 100,000 100,000

American Exchange

Week Ended Dec. 21, 1974
 Sales High Low Last Change
 100,000 100,000 100,000 100,000
 100,000 100,000 100,000 100,000
 100,000 100,000 100,000 100,000

Market Averages

Week Ended Dec. 21, 1974
 Dow Jones 100,000 100,000 100,000 100,000
 S&P 500 100,000 100,000 100,000 100,000
 NYSE 100,000 100,000 100,000 100,000

Treasury Bills

Dec. 28, 1974 100,000 100,000 100,000 100,000
 Jan. 5, 1975 100,000 100,000 100,000 100,000
 Feb. 12, 1975 100,000 100,000 100,000 100,000
 Mar. 19, 1975 100,000 100,000 100,000 100,000

Bank Stock Quotations

Closing prices of the week's trading
 Bank of America 100,000 100,000 100,000 100,000
 Citicorp 100,000 100,000 100,000 100,000
 First National City 100,000 100,000 100,000 100,000

PARIS AMUSEMENTS

WORLD FAMOUS LIDO
 Nightly at 10.30 p.m. and 0.45 a.m.
 GRAND JEU
 MINIMUM PER PERSON
 TAX AND TIP INCLUDED

CALAVADOS

JOE TURNER - LOS LATINOS
 Salsa, Merengue, Bolero, Mambo
 Christmas Eve: "A la Carta" - Special
 Christmas Day: "A la Carta" - Special

Bond Sales on the New York Stock Exchange

Bonds	Sales in \$1,000 High Low Last chg	Net
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000

Foreign Bonds

Bonds	Sales in \$1,000 High Low Last chg	Net
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000
U.S. Govt. 100,000	100,000 100,000 100,000	100,000

Change continents in London

Africa, Asia, America, Australia. We fly to them all.
 As well as being Europe's biggest gateway, London is still Europe's least expensive capital. Which makes it a great place for a stop-over.
 You can see the sights. Pick up some Irish linen. Or a length of Scottish tweed. Buy up Marks and Spencer. Enjoy the roast beef of old England. Spend some time in a real English pub. And see what's going to happen on Broadway before it happens on Broadway.

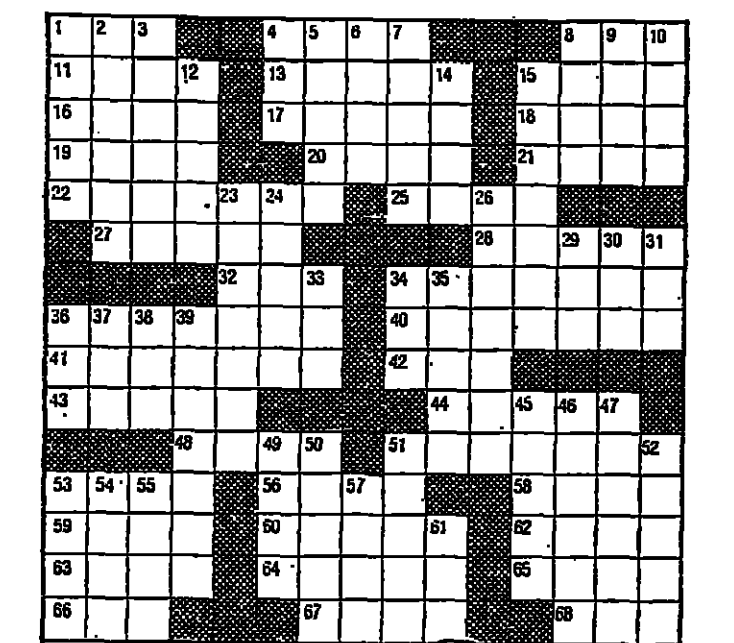
British airways
 Worldwide you'll be in good hands



CROSSWORD

By Will Weng

- ACROSS**
- 1 Start of God's words to Moses
 - 4 More of 1 Across
 - 8 End of 1 Across
 - 11 Journey
 - 13 Moon arcs
 - 15 — d'Azur
 - 16 Closing word
 - 17 Kind of type
 - 18 Western Indians
 - 19 Enjoy
 - 20 Iowa or Ohio, to the French
 - 21 Hunter and
 - 22 Shows age, as paper
 - 23 Resins
 - 24 Graceful woman
 - 27 Draw a bead on
 - 32 Sesame
 - 34 What Moses saw, with 53 Down
 - 36 Worshiper of an ancient deity
 - 40 Does a police job
 - 41 Persuaded
 - 42 Pacific porpy
 - 43 Seed coat
 - 44 Snoops
- DOWN**
- 1 The Boot
 - 2 Hosts
 - 3 In a timid way
 - 4 Common sentence starter
 - 5 Nathan and others
 - 6 Got down
 - 7 Bottom-line figure
 - 8 Small amount
 - 9 Solar disk
 - 10 Hodgepodge
 - 12 "... the — of parting day"
 - 14 Bristle
 - 15 Haute —
 - 23 Kind of illusion
 - 24 Part of an egg
 - 26 Vulture fare
 - 28 Incorrect: Prefix
 - 30 Insect
 - 31 Wire messages: Abbr.
 - 33 Showed the way
 - 34 — the breeze
 - 35 Heavens: Prefix
 - 36 Boring tool
 - 37 French donkey
 - 38 Newspaper offerings
 - 39 Old musicians
 - 45 Ancient people of Iran
 - 46 Make possible
 - 47 Kind of door
 - 49 Rents
 - 50 Copy-editor's concern
 - 51 Push
 - 52 Curves
 - 53 See 34 Across
 - 54 Black birds
 - 55 Encircled
 - 57 Steep rock
 - 61 Indian weight



WEATHER

C F			C F		
ALBUQUERQUE	13	59 Cloudy	MADRID	5	47 Overcast
ALBANY	8	46 Cloudy	MILAN	9	48 Cloudy
ALBUQUERQUE	13	59 Unvariable	MILWAUKEE	9	48 Cloudy
ALBUQUERQUE	13	59 Cloudy	MOSCOW	9	48 Overcast
ALBUQUERQUE	11	62 Cloudy	MUNICH	6	43 Fair
ALBUQUERQUE	6	41 Fair	NEW YORK	7	43 Fair
ALBUQUERQUE	11	62 Cloudy	NICE	10	50 Cloudy
ALBUQUERQUE	7	46 Cloudy	OSLO	6	43 Fair
ALBUQUERQUE	6	42 Cloudy	PARIS	10	50 Cloudy
ALBUQUERQUE	11	62 Cloudy	PRAGUE	7	45 Cloudy
ALBUQUERQUE	21	70 Cloudy	ROME	12	54 Fair
ALBUQUERQUE	7	45 Cloudy	SOFIA	6	43 Cloudy
ALBUQUERQUE	11	62 Fair	ST. LOUIS	6	43 Cloudy
ALBUQUERQUE	11	62 Cloudy	STOCKHOLM	9	48 Cloudy
ALBUQUERQUE	10	59 Cloudy	TEHRAN	4	39 Cloudy
ALBUQUERQUE	8	48 Fair	TEL AVIV	12	59 Cloudy
ALBUQUERQUE	8	47 Cloudy	TOKYO	4	39 Fair
ALBUQUERQUE	5	41 Overcast	VENICE	2	30 Fair
ALBUQUERQUE	7	45 Cloudy	VIENNA	5	41 Fair
ALBUQUERQUE	8	48 Cloudy	WARSAW	7	45 Cloudy
ALBUQUERQUE	20	68 Overcast	WASHINGTON	7	45 Cloudy
ALBUQUERQUE	8	46 Fair	ZURICH	8	47 Fair
ALBUQUERQUE	11	62 Cloudy	(Yesterday's readings: U.S. Canada at 1700 GRT, others at 1200 GRT.)		

Mutual Funds

NEW YORK (AP)		Closing Prices on Dec. 20, 1974		Bid		Asked	
fellow companies, supplied by				Bids		Offers	
National Association				Dow Jones		Invest	
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Anti-Trust Violation Cited in Kapp Case

NFL Reserve System Ruled Illegal by Judge

From Wire Dispatches

FRANCISCO, Dec. 22. A sweeping decision by a Federal District Judge in San Francisco ruled Friday that the National Football League's reserve system, which binds players to their teams, violates the anti-trust laws.

The ruling, released here, responds to a suit brought last year by former NFL player Joe Kapp, who refused to sign a standard player contract. The decision, if upheld, would force professional sports teams to make almost every player a free agent after his contract expires. The suit is the only sports case to date to challenge the NFL's reserve system. Judge William S. Sweetgert's 28-page opinion in the "Roselle Rule" case under the NFL's reserve system. Judge Sweetgert's decision is a landmark ruling in the history of professional sports.



Joe Kapp

'Imposing restraint virtually unlimited in time and extent goes far beyond any possible need for fair protection of the interest of club-employers or the purposes of the NFL and that it imposes upon the player-employers such undue hardships as to be an unreasonable restraint.'

—Judge Sweetgert.



Judge William Sweetgert

form of a partial summary judgment and left a number of minor issues and any damages to be awarded Kapp to be determined by a later trial.

Kapp's attorneys said Friday that they would seek a judgment in the millions. Kapp, now 36 and living in a San Francisco suburb, said he didn't know "if it will ever be worth missing out on the prime of my pro football career. But I thought it was worth it to challenge the system. I didn't quit. I reported to Boston to play football and they threw me out. What else could I do? I was forced into legal proceedings because they wouldn't let me play."

In New York, Marvin Miller, head of the baseball players' union, said the Kapp case may force Congress to make a uniform law regarding all major professional sports.

In denying outfielder Curt Flood's attempt to overturn baseball's reserve system, the Supreme Court took note that baseball was an exception in that it is exempt from anti-trust laws and hinted that it was up to Congress to set standard rules for all pro sports.

Happy Leader

WASHINGTON, Dec. 22.—Ed Garvey, head of the NFL's Players Association, hailed the San Francisco decision "as the most exciting development in the history of professional sports."

Garvey added that the ruling would not necessarily mean that the better players would go to a few wealthy teams in a bidding war.

"All the teams are rich in the NFL," he said. "The poor teams, poor in quality, can now get good immediately instead of waiting years and years to improve through the college draft."

The termination of the Roselle rule was one of the key issues in the players' bitter strike during last summer's training season.

Would this now mean a lessening of loyalty of players, who know they can get up and go whenever their contracts expire?

"We discussed this possibility with the players," said Garvey. "And the feeling is that not that many would change teams. They're moved to a city, bought a home there, found a job. You don't always go looking for new jobs if you're happy. If not, you'll move. I think in the two years there'll be a lot of movement, then it will taper off."

Naples to Defend

MEXICO CITY, Dec. 22 (UPI).—Mexico's José Napoles will defend his World Boxing Council welterweight title against Angel Espada of Puerto Rico early next year, the champion announced yesterday. The fight will be held in San Juan, Puerto Rico, but the exact date has not been set.



IN THE WAY—Vikings' Jim Marshall menaces Cards' ball carrier Terry Metcalf during first quarter of playoff.

Nelson of U.S. Victor Of Women's Downhill

SAALBACH, Austria, Dec. 22 (UPI).—Cindy Nelson of the United States moved into the limelight of the world yesterday by winning a women's World Cup downhill race.

The 19-year-old covered the 2,700-meter course in 1 minute 38.26 seconds, edging out Marie-Therese Nadig of Switzerland and Rael Mittermaier of West Germany. They clocked 1:38.49 and 1:37, respectively.

"It's been a perfect race," Nelson said after the victory. "I couldn't have raced better."

Nelson's form has been improving from race to race. She finished fourth in the season's first downhill at Val d'Isère, France, and second at Cortina, Italy, last week.

The American swept to world prominence last January at Grindelwald, Switzerland, where she became the first girl to beat Austrian wonderwoman Annemarie Proell-Moser in a downhill in two years.

Proell, the World Cup holder, finished seventh yesterday.

Miami of Ohio Defeats Georgia In College Bowl

ORLANDO, Fla., Dec. 22 (UPI).—Quarterback Sherman Smith ran for one touchdown and passed for another last night to lead Miami of Ohio to a 21-10 victory over Georgia in the Tangerine Bowl college football game.

It was the second straight Tangerine Bowl triumph for the Mid-American Conference champs, who ranked 15th in the final regular-season Associated Press poll, and their second straight over a Southeastern Conference team.

Miami struck swiftly and rolled to a 21-10 halftime lead, sparked by two fumble recoveries by linebacker John Roudsback—to dominate the 33rd annual postseason clash.

Miami had a 9-0-1 won-lost-tied regular-season record and now has gone 23 games without a loss. Georgia, which finished in a second-place tie with Auburn in the SEC, entered the game with a 6-5 record.

College Basketball Scores

FRIDAY		SATURDAY	
INDIANA CLASSIC		INDIANA CLASSIC	
Indiana 71, Creighton 52.		Indiana 71, Creighton 52.	
DAYTON INVITATIONAL		DAYTON INVITATIONAL	
Dayton 71, Cincinnati 62.		Dayton 71, Cincinnati 62.	
BIG TEN TOURNAMENT		BIG TEN TOURNAMENT	
Michigan 81, Wisconsin 73.		Michigan 81, Wisconsin 73.	
Illinois 77, Iowa 70.		Illinois 77, Iowa 70.	
Ohio State 79, Texas Tech 72.		Ohio State 79, Texas Tech 72.	
Nebraska 71, Kansas 64.		Nebraska 71, Kansas 64.	
North Carolina 77, Duke 66.		North Carolina 77, Duke 66.	
South Carolina 71, LSU 64.		South Carolina 71, LSU 64.	
Florida 73, TCU 61.		Florida 73, TCU 61.	
MIDWEST		MIDWEST	
Ohio State 79, Texas Tech 72.		Ohio State 79, Texas Tech 72.	
Nebraska 71, Kansas 64.		Nebraska 71, Kansas 64.	
North Carolina 77, Duke 66.		North Carolina 77, Duke 66.	
South Carolina 71, LSU 64.		South Carolina 71, LSU 64.	
Florida 73, TCU 61.		Florida 73, TCU 61.	
SOUTHWEST		SOUTHWEST	
Arizona 84, Colorado 62.		Arizona 84, Colorado 62.	
Oklahoma 75, Wichita 65.		Oklahoma 75, Wichita 65.	
Kansas 71, Houston 62.		Kansas 71, Houston 62.	
New Mexico 77, Sonoma State 62.		New Mexico 77, Sonoma State 62.	
Utah 77, Stanford 74.		Utah 77, Stanford 74.	
WEST		WEST	
UCLA 85, Hawaii 72.		UCLA 85, Hawaii 72.	
Oregon 81, Stanford 68.		Oregon 81, Stanford 68.	
Utah 77, Stanford 74.		Utah 77, Stanford 74.	
TENNESSEE INVITATIONAL		TENNESSEE INVITATIONAL	
Tennessee 71, Kentucky 62.		Tennessee 71, Kentucky 62.	
KENTUCKY INVITATIONAL		KENTUCKY INVITATIONAL	
Kentucky 71, Tennessee 62.		Kentucky 71, Tennessee 62.	
MICHIGAN INVITATIONAL		MICHIGAN INVITATIONAL	
Michigan 81, Wisconsin 73.		Michigan 81, Wisconsin 73.	
Illinois 77, Iowa 70.		Illinois 77, Iowa 70.	
Ohio State 79, Texas Tech 72.		Ohio State 79, Texas Tech 72.	
Nebraska 71, Kansas 64.		Nebraska 71, Kansas 64.	
North Carolina 77, Duke 66.		North Carolina 77, Duke 66.	
South Carolina 71, LSU 64.		South Carolina 71, LSU 64.	
Florida 73, TCU 61.		Florida 73, TCU 61.	

Dolphins' Reign Ended by Raiders' Pass

By Robert Facht

LAND, Calif., Dec. 22.—The Miami Dolphins' reign of terror came tumbling down yesterday on a "dumb throw" by a Raider quarterback Ken

and's Clarence Davis out-

in the Dolphins' end zone

by a 28-26 victory in a

key to qualify for Super

Dolphins, going for a third

Super Bowl, had surged

to 30-21, on a 23-yard run

by Marino with 2:08 re-

maining. But Stabler brought

back completing six

passes in a 68-yard, lay

drive.

winning pass, Stabler's

consecutive completion of a

0 yard pass, ended the

game, was tackled by 6-foot-6

and Vern Den Herder

as he unloaded. The

threw toward the end zone.

Robert Facht

Robert Facht

Robert Facht

Robert Facht

Robert Facht

Davis, surrounded by Miami

defenders, grabbed it at the

same time as linebacker Mike

Kolen. Davis utilized his strength

to gain possession.

Wins Battle

"I had it with my left hand

and I was pulling it in to my

body," Davis said. "We got our

arms on it at the same time, but

the angel of mercy was riding on

the ball. It was pure concentra-

tion. I was a secondary receiver

and when I knew the ball was

coming to me, I was just hoping

I could get it without somebody

deflecting it."

"I had my hands on it," Kolen

said, "but initially he had a bet-

ter grip on it. I was just going

for the ball. We had a great pass

catch. It was a desperation throw

and they came down with it."

"It was probably a dumb

throw," said Stabler. "But you

get away with that sometimes.

I should have thrown it away;

we had three more shots. I saw

a little spot in there and it work-

The Raiders next play the

Pittsburgh Steelers here next

week, with the winner advancing

to the Super Bowl.

Miami had scored first, in the

quickest manner possible. Nat

Moore took the opening kickoff

and lugged the ball 69 yards for

a touchdown.

Oakland pulled even midway

through the second period, the

first time it was able to cross

the 50-yard line. Stabler terminated

a 78-yard drive with a 31-yard

strike to Charles Smith, Davis

understand, who had drifted

behind linebacker Nick Buonic-

ti.

The Dolphins then went 47

yards to the Oakland 16 but, dis-

missing a fourth-and-one gamble,

settled for a 24-yard Garo Yep-

remian field goal.

Oakland took the lead at 14-10

on its second possession of the

second half, sweeping 60 yards

in nine plays. The touchdown

came on a 13-yard pass to flank-

er Fred Biletnikoff.

to regain the lead. The key to the

66-yard drive was a 29-yard,

third-down interference call on

Paul Villapiano, who tugged Jim

Kick's arm at the Oakland 16.

Grise covered the final 16 in

one play, to Warfield, left un-

tended when defender Nemiah

Wilson fell at the goal line.

Bubba Smith blocked Yep-

remian's extra-point attempt, but

Yepremian recovered with a 46-

yard field goal to boost the Dol-

phins' edge to 19-14 early in the

fourth quarter.

Oakland rebounded with 4:37

remaining in the game on a 72-

yard pass play from Stabler to ex-

Colorado sprinter Cliff Branch.

The throw was short and Branch

curled back for it at the Miami

30. Defender Henry Stuckey fell

as he turned and Branch made

the diving catch, arose and dash-

ed to the end zone.

Cornerback Stuckey and safety

Larry Dobb were replugging start-

ers Curtis Johnson and Jake

Scott, both of whom had depart-

Miami covered 68 yards in only

four plays for a 26-31 edge. Ma-

lone, playing with a painful back

injury, swept the right side for the

final 23, evading three off-target

Raiders tacklers after guard Larry

Little eliminated Skip Thomas

from his path. If anything, the

touchdown came too soon. The

ball-control experts from Miami

left Oakland with more than two

minutes—and it proved time to

topple the Dolphins.

Miami coach Don Shula, leaning

on the wall outside the Dol-

phin dressing room after the loss,

said, "When you lose them like

that, you know it wasn't meant

to be. The season was meant to

end here in Oakland—and it did.

A lot of dreams go down the

drain, but there are a lot of great

moments to remember. I hope

Oakland now goes all the way and

gets what they want."

Linebacker Bob Metcalf summed

it up for the Dolphin dream:

"We played our hearts out and

then got beat on a play like that.

But it was just a super game."

Robert Facht

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Robert Facht

Kings Stop Cards With Stout Defense

By Neil Amdur

MINNAPOLIS, Minn., Dec. 22.—Jeff and Nate Wright, except in spirit, pro-

vide big plays that lifted

the Vikings to a 30-14

